DOCUMENT RESUME

ED 149 841 PS 009 706

AUTHOR	Settles, Barbara H.; And Others
TITLE	How to Measure the Cost of Foster Family Care.
INSTITUTION	Delaware Univ., Newark.
SPONS AGENCY	Office of Child Development (DHEW), Washington, D.C.
REPORT NO	DHEW-OHDS-77-30126
PUB DATE	77
GRANT	OCD-CB-74-296
NOTE	64p.
AVAILABLE FROM	U. S. Department of Health, Education, and Welfare, Administration for Children, Youth and Families, P. O. Box 1182, Washington, D.C. 20013 (free of charge)
EDRS PRICE	MF-$0.83 HC-$3.50 Plus Postage.
DESCRIPTORS	*Child Rearing; Cost Effectiveness; Data Bases; *Estimated Costs; Family Income; Family Structure; Foster Children; *Foster Family; Geographic Regions; *Living Standards; *Measurement Techniques; National Surveys; Parent Attitudes; Rural Areas; *Statistical Data; Urban Areas

ABSTRACT

This report presents a method for measuring the cost of foster family care in local areas through use of governmental and other available data on costs relating to non-foster children. The cost measurement procedures used, for which 32 pages of tables and worksheet forms are provided, are designed to measure average costs in a particular area (excluding social service and agency administration costs). Direct and indirect costs are defined and discussed at length. The source of direct cost data presented is a U. S. Department of Agriculture estimate of the direct costs of raising a child to age 18, at economy, low cost and moderate cost levels, for rural farm, rural non-farm and urban families in the four U. S. census regions: North Central, South, Northeast and West. This estimate, based on 1960-61 data, is adjusted through the government's Consumer Price Index (tables included). Average costs are given, per region and degree of urbanization, for: food, clothing, housing, medical care, education, transportation and other costs. Use of such existing data bases is strongly recommended for estimating direct costs, although local differences may necessitate some primary data-gathering. Local surveys may also be needed to determine the indirect costs (the dollar value of parental time). (BF)

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How to Measure

the Cost of Foster Family Care

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How to Measure

the Cost of Foster Family Care

by

Barbara H. Settles, Ph.D.
Associate Professor
Family Life and Child Development

James D. Culley, Ph.D.
Assistant Professor
Business Administration

Judith B. Van Name
Assistant Professor
Home Management and
Family Economics

This report is based on work funded by a grant #CB-74-296 from the Region III Office of Child Development, United States Department of Health, Education, and Welfare. The project was a joint effort of the College of Home Economics and the College of Business and Economics of the University of Delaware, Newark, Delaware 19711.

Excerpted from *Understanding and Measuring the Cost of Foster Family Care*
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DHEW Publication No. (OHDS) 77-30126

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Have you ever wondered what it really costs a foster family to raise a foster child? Although children are not normally viewed in a cost context, this type of information may be quite useful for making rational decisions concerning policies which affect foster children and their families. Having a method for estimating the true cost of care for foster children could lead to more realistic foster care payment systems. Such a method could also provide realistic data for prospective and current foster parents to objectively analyze the costs of caring for a foster child.

PURPOSE OF THE STUDY

The primary purpose of this monograph is to outline a method by which the cost of foster family care can be measured in local areas. The use of available secondary data sources is recommended since funds and staff are usually not available for research at the local level. The key to this method is to use available government data which can be updated by using the consumer price index. The cost measurement procedures are designed to measure average costs in a particular area rather than costs of an individual child. Social service and agency administration costs are excluded from this measurement instrument.

The costs of raising a foster child may be separated into two portions:

- costs which are the same as those for natural children
- costs related to the child's status as a foster child

Those costs which are the same as those for natural children may be estimated by the use of general information on child rearing costs. Since these cover the major portion of the foster child's ordinary needs, accuracy in this estimate can go a long way toward a realistic estimate of the *true* cost of raising a foster child.

However, some of the costs for the foster child are different from the costs of raising children in general and cannot be directly estimated from general data on child rearing costs. Where there are major regional or local differences in costs which are not reflected in the secondary data sources used, or are peculiar to foster children and not incurred by parents in raising natural children, some primary data gathering may have to be done.

The Cost of Raising Children

Although costs vary considerably from one family to the next, the underlying factors influencing child raising costs seem clear. The factor having the greatest effect on child raising costs is the level of living enjoyed by the parents. Family income at a particular time is not the only factor which affects a family's expenditure decisions. Even among families with roughly the same income, the amount spent per child can still vary greatly depending on such factors as:

- the family's expected or potential income,
- relative prices of goods,
- the sex of the child,
- the number of children already in the family,
- the ages of all the children in the family,
- the family's lifestyle,
- the geographical location,
- the availability of community services,
- the attitude of the wage earners in the family toward child care

The ideal tool for measuring the expenditures that a family actually incurs in raising a child would take all such factors into account. In practice, most researchers have at least taken regional differences, age differences, level of living differences, and sex differences into consideration. The measurement tools we recommend in this monograph take these latter factors into consideration.

The Cost of Raising Foster Children

We are interested in three types of cost: direct costs, indirect costs, and non-economic costs. Direct or out-of-pocket costs include the expenses the family actually incurs in raising children. Indirect costs refer to the income (opportunity costs) family members forego by staying at home and raising children or the value of the time family members devote to child raising tasks. Non-economic costs include the cost of the time and effort the family members put into raising children that does not compete with the family's money earning activities. In order to gather data used to set the payment rates to foster parents only direct and indirect costs are of real importance. However, in determining if a particular family will become a foster family or adopt a child, and in determining what age child a foster family would prefer, non-economic costs are significant.

The technical problems involved with computing direct and indirect costs are immense. In computing the direct costs of raising a child, some data exists on costs such as food, clothing, and educational expenses incurred directly by individual family members. For other items, such as housing, transportation, and recreation, where costs are often incurred by the family as a whole, the problem of determining what portion of the family's expenses should be charged to the various family members is much more difficult.

In computing the indirect costs associated with raising a child, the value of the time spent by the parents on the activities involved with raising the child needs to be determined. The value of the time lost by the parents when they could have been working outside the home could also be measured. Thus, dollar amounts must be assigned to the time spent on food preparation, house cleaning, child education, etc., and to the salary the foster parents could have earned outside the home if they had chosen to be a typist, store clerk, or banker instead of raising a child.

QUALITY OF LIFE ISSUES

What is the most acceptable level of living for a foster family? Obviously, foster care costs are closely related to assumptions about the appropriate life style for foster families. Agency policies and community standards can affect the actual costs foster families incur as well as determine which of these costs will be borne by the community. Thus, before attempting to measure costs in a particular area, information must be known about agency policies and community standards in that area.

Community and agency values do not arise in a vacuum. The general views in the society about good living standards and quality of life provide the framework for judging quality in foster care. The history of foster family care as an institution has also shaped views of what quality of life means for foster children. There are long-standing controversies which continue to influence the quality of foster care today.

Though in our study we were not able to conclude with a single definition of quality of life for foster children, our decision to base the direct costs instrument on natural children's costs indicates that good foster care practice presumes the same level of living for foster children as for natural children living in the same family. Our consideration of the indirect costs of child care is related to the increased professionalization of foster parents and to the recognition of their contribution to the program.

Quality of Life

Quality of life is the total impact of the components of a level of living and the potential life styles associated with these components. While the literature on quality of life has focused on a physical orientation, it has also included mental health and social well-being as important characteristics. Many present definitions of relative quality of life encompass the following concepts in increasing order of magnitude:

1. Maintenance of life functions

2. Absence of disabling deprivation or hindrance

3. Presence of a positively enhancing environment

4. Active growth and development

5. Optimal self-actualizing process

Although there are disagreements about the purposes of foster care itself, there is a general consensus that foster family care is a valuable component of child care services. Many factors have been identified as influencing definitions of quality foster care in contemporary society. The quality of life delivered to a foster child is produced by an interaction of social forces, agency payments, foster family resources, and agency supervision and encouragement. To apply the quality of life concepts to foster children, an understanding of the background of foster family care and present influences on foster care programs is needed.

The Development of Foster Family Care

Foster family care as a means of caring for children has a long-standing history. In Colonial America the practice of hiring adolescents for minimal room and board or apprenticing them for training was common; it was assumed that their services were of value and that their education would be furthered.[1] While apprenticing declined in the nineteenth century, the custom of placing children in temporary homes or permanent adoptive homes, often outside the community from which they came, persisted. Placing a child to work for his keep on a farm was evaluated favorably by many people.[2] The alternatives of poor farms and orphanages competed with foster care, and debates about the success of each alternative occurred. For example, the strong negative effects on children of being mixed with the poor and the sick in institutions were noted.[3]

The Rise of the Boarding Foster Home. Historically, families who took in children for money or gain were highly suspect. Some of the present-day uneasiness about looking at foster care costs stems from similar views. During the nineteenth century, the role of voluntary agencies in providing child welfare services in this country became established. These private agencies were often organized by religious or ethnic groups. The free foster home (no board payment) grew as formal indenture declined.[4]

Late in the nineteenth century, "free" foster care began to be replaced by "room and board" foster care—care where the foster parents were partially reimbursed for the direct costs they incurred in raising foster children. During the twentieth century foster care expanded to include a variety of types of care.

The Diversity of Types of Care. Foster care today is divided into several categories:

> (1) emergency care for not more than 30 days; (2) time-limited care while the natural family is helped to improve the home situation and prepare for the child's return; (3) time-limited pre-adoptive care; (4) permanent foster family care on a planned basis; (5) specialized or treatment care of the mentally, physically, and emotionally handicapped children.[5]

Not all agencies use these categories for organizing their programs, but these functions are almost always found within a foster care service. This typology of care suggests that foster family care is a complex matter with different demands on the families who participate in each situation. The current movement of foster parents to organize associations has generated interest in developing the qualitative aspects of the foster parent-child relationship. For example, at the National Foster Parents Association meeting in 1973 a bill of

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[1]Barbara Lasbett, "The Family as a Public and Private Institution: An Historical Perspective," *Journal of Marriage and the Family*, vol. 35, no. 8 (August 1973), p. 484.

[2]Joseph H. Reid and Maxine Phillips, "Child Welfare Since 1912," *Children Today*, vol. 1, no. 2 (March-April 1972), p. 15.

[3]Robert L. Geiser, *The Illusion of Caring: Children in Foster Care* (Boston: Beacon Press, 1973), pp. 137-70.

[4]Andrew Billingsley and Jeanne M. Giovannoni, *Children of the Storm* (New York: Harcourt, Brace, Jovanovich, 1972), pp. 33-34.

[5]*Action for Foster Children's Committees* (Washington, D.C.: United States Department of Health, Education and Welfare, Office of Child Development, 1973), pp. 29-32.

rights for foster children was published.[6] Historically, foster family care has been a relatively inexpensive and unevaluated method for child care which depended on the voluntary generosity of the foster family in order to operate for the child's benefit.

Are Children an Asset or Liability? In contemporary society, children are not seen by economists as an economic benefit but as a direct cost to families.[7] As a result, in many areas it is difficult to find foster homes for adolescents, who in the past could have served as household help and farm hands. Increasing urbanization, industrialization, mandatory education, and movement away from home production have undercut any possibility for economic contributions from children.

Current Quality of Life Issues

Several current issues are of concern to local foster care groups and agencies who are analyzing the cost of foster care: Choosing a level of living, identifying the foster families' special needs, determining the cost of child care time, administering the length of the child's placement and allocating costs among the family, agency and other social services.

The line between quantity and quality is hard to draw when the level of living is determined for the foster child. Using the foster family's own level of living as a reference point would be helpful. At least the child could be treated as a regular family member and his costs would not affect the family's level of living.

To what extent a foster child's needs are specialized, causing the family to have demands different from the norm in maintaining a standard of living, has not been established. However, both foster parents and child welfare experts agree that the foster child not be further deprived in his placement.

The cost of time spent in child care is related to the first two issues. The life style of families and standards for foster care are directly influenced by policies on child care reimbursement. It may be useful to estimate this cost, even if reimbursement is unlikely, in order to recognize the real contribution foster families make to the program.

The opportunities a foster child has, related to the length of placement and possible return to the family of origin, is clouded by the strong value placed on returning the child to his natural parents. The belief that the placement is temporary often means that decisions about the child's education and opportunities are postponed.

The complexity of our society's bureaucratic arrangements for public welfare makes it difficult to locate who is best able to take responsibility for quality of life decisions and to make the financial commitments. In some cases families may choose to reject available services for foster children but then incur the costs themselves for these services.

Groups attempting to identify costs of foster family care should carefully evaluate local services from the standpoint of quality of life assumptions in the community and local agency policy.

MEASURING THE DIRECT COST OF FOSTER FAMILY CARE

Direct or out-of-pocket foster family care costs are the actual monetary outlays required to raise a child. Included in these costs are the expenses foster parents incur for food, clothing, housing, medical care, education, transportation, and other expenditures related to the foster child's social and physical growth. Estimating the direct cost of caring for a child is not too difficult for such commodities as food, clothing, and private education. For these goods, what is consumed by one family member is at least distinguishable from the consumption of others. Not knowing how an extra child affects family transportation, recreation, household, and other direct expenses, most researchers have assigned shares of these types of expenses by an arbitrary formula. Typically, there has been an equal share for each family member.

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[6] "Rights of Foster Children," *Children Today*, vol. 2, no. 4 (July-August 1973), p. 14.

[7] Thomas J. Espenshade, *The Cost of Children in the Urban United States*, Population Monograph Series No. 14 (Berkeley, Calif.: University of California, 1973), pp. 1-3.

Should Foster Care Agencies Gather Direct Cost Data?

Foster care agencies and groups of foster parents interested in estimating the cost of raising foster children must take one of two approaches when attempting to gather direct cost data. Either they must gather primary data on their own, or they must rely on existing government and private data available to them.

There have been a number of excellent studies done by foster care agencies on the direct costs of foster child care in local areas. Despite the success of these organizations in conducting their own studies of foster care costs, *we strongly urge those interested in direct cost data to use existing data bases if at all possible.* A good study must take into consideration such factors as seasonal changes in purchasing behavior. Thus, a reliable foster family expenditure study would probably take at least a year just to gather data. The costs of primary data gathering and analysis are high. The federal government regularly spends millions of dollars to gather consumer expenditure data by personal interview from a few thousand households. Few foster care agencies can afford to conduct the kind of on-going quality research necessary.

Secondary data does have a few disadvantages. It was not gathered with foster children in mind. The data may cause us to underestimate the cost of foster children since our research and that of others in the field show that many costs associated with a foster child may be higher than those of the "average" child discussed in most studies. Another problem of secondary data concerns the area of data coverage. For example, a social worker living in New Castle County, Delaware, would prefer data on that particular area rather than aggregate regional data or data for the United States as a whole.

Previous Estimates of the Direct Cost of Child Care

An examination of previous studies that have been done yields many useful insights into how direct costs vary by region of the country, life style, age of the child, and number of children in the family. Some of the more significant conclusions drawn from an examination of these studies are listed below.

- Food, housing, and clothing are generally the three most important direct cost items in any budget for the child.
- The birth order of a child (first child, second child, etc.) and family income appear to be more important than family size in determining expenditures for a child.
- The more children a family has (and the closer together in age they are) the lower the direct cost of additional children to a family. (Having more children and having them closer together, whatever its disadvantages, seems to enable the family to economize by using hand-me-downs.)
- As a family's real income rises, the proportion of their income spent on sundries rises while the proportion spent on food falls.
- The cost of a child varies by region, and within a region by where the family lives—farm, rural nonfarm, and urban areas, for example.
- The child's sex makes a difference in the amount of goods consumed for some direct cost categories (e.g., teenage boys consume significantly more food than teenage girls; teenage girls, on the other hand, spend significantly more on clothes than teenage boys).

Recommended Source for Direct Cost Data

In 1970, Jean Pennock, while working for the Consumer and Food Economics Research Division of the U.S. Department of Agriculture (U.S.D.A.) developed estimates of the direct cost of raising a child to age eighteen at economy, low-cost and moderate cost levels of living for rural farm, rural nonfarm, and urban families in all four U.S. census regions.[8] At this time the estimates are based on a 1960-61 cooperative study

[8]Jean Pennock, "Cost of Raising a Child," *Family Economics Review*, March 1970. Lucille F. Mark, Carol M. Jaeger, Minnie Belle McIntosh, and J. Patrick Madden were also associated in the work Pennock reports.

of national consumer expenditures conducted by the Bureau of Labor Statistics (B.L.S.) and the U.S.D.A. In a year or two they hope to release revised data based on a 1972-1973 national consumer expenditure survey.

Pennock began by using the amounts of foods of different types (food groups) that families might buy or obtain by home production to establish what families were living at similar levels. To avoid differences in level of living between regions, the food plans were repriced. The average U.S. nonfarm food choices at the various levels were used in all regions and urbanizations. The cost of the food plan was used to locate comparable families which loosened the tie to income level. She then calculated the amounts of money going to various direct expenses for families of different sizes, in different regions, at different levels of living.

Pennock's work and the continuing work of the U.S.D.A. are widely known and may be updated easily using the consumer price index. Although it has certain limitations, it is this data base that we have selected as the best source of direct cost data on the cost of raising children. Worksheet A provides a step-by-step sequence which uses the U.S.D.A. data to compute the average direct cost of raising a child in a specific region of the country, living on a farm or in the city at a specific level of living.

A brief examination of costs for an average child as shown in Table 1 reveals many interesting relationships. As expected, the direct cost per year for raising a child generally increases as the child grows. Costs for the various categories of goods and services in the family budget do not rise at the same rate each year. For example, at certain ages costs rise more sharply for food and clothing, the categories for which the U.S.D.A. has the best estimates of per child costs.

Determining the Direct Cost of Foster Child Care

The direct costs of raising a foster child can be determined by using Worksheet A. The costs for an average child are provided in Table 1 which was taken from the *Cost of Raising a Child* published by the Consumer and Food Economics Research Division of the U.S.D.A. The data in Table 1 are adjusted to the value of the dollar as of 1970.

In order to adjust for differences between the 1970 base and the year desired, the consumer price index (C.P.I.) information in Tables 2, 3, or 4 should be used. Although most people are aware of the C.P.I. and how it is used, a few words of explanation may be helpful. It is the only index compiled by the U.S. government that is designed to measure changes in the purchasing power of the consumer's dollar. Because the value of the dollar changes significantly from year to year, it becomes extremely important to use the index to adjust for dollar changes when using secondary price and cost data.[9]

At the present time, the national C.P.I. is compiled by the Bureau of Labor Statistics and published about three weeks following the month to which the data refer. The index refers to the entire month, not to any specific day of the month. U.S. average indexes are published monthly for "all items" and for groups, subgroups, and selected items in the *Monthly Labor Review* and in a special periodical, *The Consumer Price Index*. Yearly averages such as those in Table 4 may be found in the December issues of these magazines. Both magazines may usually be found in any large city library or U.S. government document depository.

Individual "city" indexes are computed monthly for five Standard Metropolitan Statistical Areas (S.M.S.A.): Chicago, Ill. - Northwestern Indiana; Detroit, Mich.; Los Angeles - Long Beach, Calif.; New York - Northeastern New Jersey, and the Philadelphia metropolitan area, and once every three months on a rotating cycle, for all other S.M.S.A.s. Starting in 1973 indexes have been published for cities in five population-size groups (see Table 3), and in 1974 the Bureau of Labor Statistics began publishing data on the four U.S. regions (see Table 2).

The indexes in Tables 2, 3, and 4 are all used in the same manner. Which table you decide to use depends on which index comes closest to approximating the conditions in the area of interest to you.

[9]The market basket used for the C.P.I. is the goods and services consumed by the urban wage earner and clerical worker. Although approximately 55 percent of the urban population and approximately 45 percent of the total population are included in this category, it should be noted that this definition does not cover everybody.

Table 1
Costs for Average Child, 1970/1

North Central/Farm

Age of child (years)	Estimated cost for--									
	Total	Food			Clothing	Housing 3/	Medical care	Education	Transportation	All other 4/
		Total	At home 2/	Away from home						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
ECONOMY										
Under 1	610	130	130	0	40	210	50	0	120	60
1	640	160	160	0	40	210	50	0	120	60
2-3	630	160	160	0	60	190	50	0	110	60
4-5	670	200	190	10	60	190	50	0	110	60
6	680	190	180	10	80	190	50	10	100	60
7-9	720	230	220	10	80	190	50	10	100	60
10-11	760	270	260	10	80	190	50	10	100	60
12	820	280	270	10	120	190	50	10	110	60
13-15	840	300	290	10	120	190	50	10	110	60
16-17	930	340	330	10	150	200	50	10	110	70
Total	13,410	4,290	4,150	140	1,580	3,480	900	120	1,940	1,100
LOW-COST										
Under 1	980	170	170	0	60	380	70	0	190	110
1	1,010	200	200	0	60	380	70	0	190	110
2-3	970	200	200	0	100	330	60	0	170	110
4-5	1,030	260	230	30	100	330	60	0	170	110
6	1,060	260	230	30	130	310	60	20	160	120
7-9	1,100	300	270	30	130	310	60	20	160	120
10-11	1,150	350	320	30	130	310	60	20	160	120
12	1,270	360	330	30	200	310	60	20	190	130
13-15	1,300	390	360	30	200	310	60	20	190	130
16-17	1,390	430	400	30	230	320	60	20	200	130
Total	20,600	5,540	5,120	420	2,560	5,820	1,100	240	3,180	2,160
MODERATE-COST										
Under 1	1,410	200	200	0	70	570	90	0	280	200
1	1,450	240	240	0	70	570	90	0	280	200
2-3	1,410	240	240	0	130	510	90	0	250	190
4-5	1,490	320	270	50	130	510	90	0	250	190
6	1,590	330	270	60	180	490	90	40	250	210
7-9	1,640	380	320	60	180	490	90	40	250	210
10-11	1,710	450	390	60	180	490	90	40	250	210
12	1,920	460	400	60	290	510	90	50	290	230
13-15	1,960	500	440	60	290	510	90	50	290	230
16-17	2,090	570	500	70	320	520	90	50	300	240
Total	30,570	7,030	6,190	840	3,540	9,200	1,620	540	4,820	3,820

See footnotes at end of table.

continued on next page

Table 1 continued

Costs for Average Child, 1970 1/ North Central/Rural Nonfarm

Age of child (years)	Estimated cost for--									
	Total	Food			Clothing	Housing 3/	Medical care	Education	Transportation	All other 4/
		Total	At home 2/	Away from home						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
ECONOMY										
Under 1	680	140	140	0	40	230	40	0	170	60
1	710	170	170	0	40	230	40	0	170	60
2-3	650	160	160	0	50	200	40	0	140	60
4-5	690	200	190	10	50	200	40	0	140	60
6	720	200	190	10	80	190	40	10	140	60
7-9	760	240	230	10	80	190	40	10	140	60
10-11	800	280	270	10	80	190	40	10	140	60
12	850	280	270	10	110	200	40	10	140	70
13-15	880	310	300	10	110	200	40	10	140	70
16-17	930	350	340	10	120	200	30	10	150	70
Total	14,020	4,420	4,280	140	1,440	3,600	700	120	2,600	1,140
LOW-COST										
Under 1	1,050	180	180	0	60	420	60	0	220	110
1	1,080	210	210	0	60	420	60	0	220	110
2-3	960	210	210	0	80	340	50	0	180	100
4-5	1,010	260	240	20	80	340	50	0	180	100
6	1,050	260	240	20	120	320	50	10	180	110
7-9	1,100	310	290	20	120	320	50	10	180	110
10-11	1,140	350	330	20	120	320	50	10	180	110
12	1,250	370	340	30	180	320	50	10	200	120
13-15	1,280	400	370	30	180	320	50	10	200	120
16-17	1,380	450	420	30	220	320	50	10	210	120
Total	20,550	5,690	5,350	340	2,320	6,040	920	120	3,460	2,000
MODERATE-COST										
Under 1	1,480	200	200	0	70	630	90	0	300	190
1	1,530	250	250	0	70	630	90	0	300	190
2-3	1,380	240	240	0	110	530	80	0	250	170
4-5	1,460	320	280	40	110	530	80	0	250	170
6	1,590	330	280	50	170	520	80	40	260	190
7-9	1,650	390	340	50	170	520	80	40	260	190
10-11	1,730	470	420	50	170	520	80	40	260	190
12	1,890	470	420	50	260	540	80	40	290	210
13-15	1,940	520	470	50	260	540	80	40	290	210
16-17	2,100	580	520	60	320	550	90	40	300	220
Total	30,600	7,200	6,500	700	3,280	9,760	1,480	480	4,920	3,480

See footnotes at end of table.

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Table 1 continued
Costs for Average Child, 1970 1/ North Central/Urban

Age of child (years)	Estimated cost for--									
	Total	Food			Clothing	Housing 3/	Medical care	Education	Transportation	All other 4/
		Total	At home 2/	Away from home						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
ECONOMY										
Under 1	870	160	160	0	40	350	50	0	180	90
1	900	190	190	0	40	350	50	0	180	90
2-3	820	190	190	0	50	300	50	0	150	80
4-5	860	230	210	20	50	300	50	0	150	80
6	910	230	210	20	90	290	50	20	140	90
7-9	950	270	250	20	90	290	50	20	140	90
10-11	1,000	320	300	20	90	290	50	20	140	90
12	1,040	320	300	20	130	290	50	20	140	90
13-15	1,070	350	330	20	130	290	50	20	140	90
16-17	1,150	390	370	20	140	310	50	20	150	90
Total	17,440	5,020	4,740	280	1,620	5,420	900	240	2,660	1,580
LOW-COST										
Under 1	1,200	200	200	0	60	490	70	0	240	140
1	1,240	240	240	0	60	490	70	0	240	140
2-3	1,140	230	230	0	90	420	60	0	210	130
4-5	1,200	290	260	30	90	420	60	0	210	130
6	1,230	290	260	30	140	380	60	20	200	140
7-9	1,280	340	310	30	140	380	60	20	200	140
10-11	1,340	400	370	30	140	380	60	20	200	140
12	1,420	400	370	30	190	390	60	20	210	150
13-15	1,460	440	410	30	190	390	60	20	210	150
16-17	1,620	490	460	30	260	400	60	20	230	160
Total	23,910	6,290	5,870	420	2,600	7,300	1,100	240	3,820	2,560
MODERATE-COST										
Under 1	1,570	220	220	0	80	660	90	0	310	210
1	1,620	270	270	0	80	660	90	0	310	210
2-3	1,530	270	270	0	130	580	90	0	270	190
4-5	1,620	360	310	50	130	580	90	0	270	190
6	1,700	350	300	50	180	550	90	40	270	220
7-9	1,770	420	370	50	180	550	90	40	270	220
10-11	1,840	490	440	50	180	550	90	40	270	220
12	1,990	510	450	60	260	570	90	40	290	230
13-15	2,040	560	500	60	260	570	90	40	290	230
16-17	2,270	620	560	60	360	590	90	40	320	250
Total	32,830	7,770	7,010	760	3,520	10,400	1,620	480	5,120	3,920

See footnotes at end of table.

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Table 1 continued
Costs for Average Child, 1970 1/

South/Farm

Age of child (years)	Estimated cost for--									
	Total	Food			Clothing	Housing 3/	Medical care	Education	Transportation	All other 4/
		Total	At home 2/	Away from home						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
ECONOMY										
Under 1	670	140	140	0	40	210	40	0	160	80
1	700	170	170	0	40	210	40	0	160	80
2-3	690	170	170	0	60	200	40	0	150	70
4-5	740	220	200	20	60	200	40	0	150	70
6	750	210	190	20	90	180	40	10	140	80
7-9	790	250	230	20	90	180	40	10	140	80
10-11	830	290	270	20	90	180	40	10	140	80
12	880	290	270	20	130	190	40	10	140	80
13-15	910	320	300	20	130	190	40	10	140	80
16-17	1,010	360	340	20	170	200	40	10	150	80
Total	14,640	4,600	4,320	280	1,720	3,460	720	120	2,620	1,400
LOW-COST										
Under 1	1,100	180	180	0	60	410	70	0	250	130
1	1,140	220	220	0	60	410	70	0	250	130
2-3	1,090	210	210	0	110	370	60	0	220	120
4-5	1,150	270	240	30	110	370	60	0	220	120
6	1,190	270	240	30	150	340	60	20	220	130
7-9	1,230	310	280	30	150	340	60	20	220	130
10-11	1,280	360	330	30	150	340	60	20	220	130
12	1,380	380	340	40	200	340	60	20	240	140
13-15	1,410	410	370	40	200	340	60	20	240	140
16-17	1,540	460	420	40	250	350	60	20	250	150
Total	22,850	5,810	5,330	480	2,760	6,400	1,100	240	4,160	2,380
MODERATE-COST										
Under 1	1,600	220	220	0	80	610	100	0	380	210
1	1,640	260	260	0	80	610	100	0	380	210
2-3	1,600	260	260	0	140	560	100	0	340	200
4-5	1,690	350	290	60	140	560	100	0	340	200
6	1,800	350	280	70	200	530	100	60	340	220
7-9	1,860	410	340	70	200	530	100	60	340	220
10-11	1,930	480	410	70	200	530	100	60	340	220
12	2,080	490	420	70	280	550	100	60	370	230
13-15	2,130	540	470	70	280	550	100	60	370	230
16-17	2,320	600	520	80	360	560	100	60	390	250
Total	34,170	7,550	6,570	980	3,760	9,960	1,800	720	6,420	3,960

See footnotes at end of table.

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Table 1 continued
Costs for Average Child, 1970 1/

South/Rural Nonfarm

Age of child (years)	Estimated cost for--									
	Total	Food			Clothing	Housing 3/	Medical care	Education	Transportation	All other 4/
		Total	At home 2/	Away from home						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
ECONOMY										
Under 1	720	150	150	0	40	230	40	0	180	80
1	750	180	180	0	40	230	40	0	180	80
2-3	670	170	170	0	60	190	30	0	150	70
4-5	720	220	200	20	60	190	30	0	150	70
6	730	200	190	10	80	190	30	10	140	80
7-9	770	240	230	10	80	190	30	10	140	80
10-11	810	280	270	10	80	190	30	10	140	80
12	850	290	270	20	100	200	30	10	140	80
13-15	880	320	300	20	100	200	30	10	140	80
16-17	950	360	340	20	120	200	30	10	150	80
Total	14,300	4,560	4,340	220	1,440	3,560	560	120	2,660	1,400
LOW-COST										
Under 1	1,160	180	180	0	70	450	60	0	270	130
1	1,200	220	220	0	70	450	60	0	270	130
2-3	1,080	210	210	0	100	370	60	0	220	120
4-5	1,140	270	240	30	100	370	60	0	220	120
6	1,140	270	240	30	130	330	60	10	210	130
7-9	1,190	320	290	30	130	330	60	10	210	130
10-11	1,240	370	340	30	130	330	60	10	210	130
12	1,310	370	340	30	180	340	50	10	230	130
13-15	1,340	400	370	30	180	340	50	10	230	130
16-17	1,480	450	420	30	240	350	50	10	240	140
Total	22,280	5,800	5,380	420	2,520	6,420	1,020	120	4,080	2,320
MODERATE-COST										
Under 1	1,780	240	240	0	90	710	100	0	400	240
1	1,820	280	280	0	90	710	100	0	400	240
2-3	1,670	270	270	0	140	610	100	0	330	220
4-5	1,770	370	310	60	140	610	100	0	330	220
6	1,850	360	300	60	190	590	100	50	320	240
7-9	1,910	420	360	60	190	590	100	50	320	240
10-11	1,990	500	440	60	190	590	100	50	320	240
12	2,170	510	440	70	290	610	100	50	350	260
13-15	2,220	560	490	70	290	610	100	50	350	260
16-17	2,450	630	550	80	410	620	100	50	370	270
Total	35,770	7,870	6,950	920	3,860	11,080	1,800	600	6,180	4,380

See footnotes at end of table.

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Table 1 continued
Costs for Average Child, 1970 1/

South/Urban

Age of child (years)	Estimated cost for--									
	Total	Food			Clothing	Housing 3/	Medical care	Education	Transportation	All other 4/
		Total	At home 2/	Away from home						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
ECONOMY										
Under 1	830	150	150	0	50	320	40	0	180	90
1	860	180	180	0	50	320	40	0	180	90
2-3	780	180	180	0	60	270	40	0	150	80
4-5	820	220	200	20	60	270	40	0	150	80
6	850	210	200	10	100	260	40	10	140	90
7-9	890	250	240	10	100	260	40	10	140	90
10-11	930	290	280	10	100	260	40	10	140	90
12	1,000	300	280	20	140	270	40	10	150	90
13-15	1,020	320	300	20	140	270	40	10	150	90
16-17	1,070	370	350	20	140	270	40	10	150	90
Total	16,470	4,670	4,450	220	1,780	4,900	720	120	2,700	1,580
LOW-COST										
Under 1	1,160	190	190	0	70	470	70	0	220	140
1	1,200	230	230	0	70	470	70	0	220	140
2-3	1,090	220	220	0	100	400	60	0	190	120
4-5	1,140	270	250	20	100	400	60	0	190	120
6	1,150	270	250	20	140	350	60	20	180	130
7-9	1,190	310	290	20	140	350	60	20	180	130
10-11	1,240	360	340	20	140	350	60	20	180	130
12	1,340	370	340	30	190	360	60	20	200	140
13-15	1,380	410	380	30	190	360	60	20	200	140
16-17	1,490	460	430	30	220	370	60	20	210	150
Total	22,480	5,840	5,500	340	2,580	6,820	1,100	240	3,500	2,400
MODERATE-COST										
Under 1	1,710	240	240	0	90	710	100	0	330	240
1	1,760	290	290	0	90	710	100	0	330	240
2-3	1,670	280	280	0	140	630	100	0	290	230
4-5	1,750	360	310	50	140	630	100	0	290	230
6	1,860	370	310	60	190	600	100	60	290	250
7-9	1,920	430	370	60	190	600	100	60	290	250
10-11	2,000	510	450	60	190	600	100	60	290	250
12	2,160	520	450	70	280	620	100	60	310	270
13-15	2,220	580	510	70	280	620	100	60	310	270
16-17	2,410	630	560	70	360	640	100	60	340	280
Total	35,570	8,010	7,130	880	3,720	11,300	1,800	720	5,480	4,540

See footnotes at end of table.

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Table 1 continued
Costs for Average Child, 1970 1/

Northeast/Farm

Age of child (years)	Estimated cost for--									
	Total	Food			Clothing	Housing 3/	Medical care	Education	Transportation	All other 4/
		Total	At home 2/	Away from home						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
ECONOMY										
Under 1	640	150	150	0	30	220	50	0	120	70
1	680	190	190	0	30	220	50	0	120	70
2-3	700	190	190	0	50	230	50	0	120	60
4-5	740	230	220	10	50	230	50	0	120	60
6	800	230	220	10	90	230	50	10	120	70
7-9	840	270	260	10	90	230	50	10	120	70
10-11	880	310	300	10	90	230	50	10	120	70
12	920	320	310	10	110	240	50	10	120	70
13-15	950	350	340	10	110	240	50	10	120	70
16-17	1,060	400	390	10	150	250	50	10	130	70
Total	15,170	5,010	4,870	140	1,540	4,200	900	120	2,180	1,220
LOW-COST										
Under 1	980	200	200	0	50	390	60	0	190	90
1	1,020	240	240	0	50	390	60	0	190	90
2-3	970	230	230	0	90	330	60	0	170	90
4-5	1,040	300	270	30	90	330	60	0	170	90
6	1,080	300	270	30	120	310	60	10	170	110
7-9	1,120	340	310	30	120	310	60	10	170	110
10-11	1,180	400	370	30	120	310	60	10	170	110
12	1,270	410	380	30	180	320	60	10	180	110
13-15	1,310	450	420	30	180	320	60	10	180	110
16-17	1,410	500	470	30	190	330	60	10	200	120
Total	20,840	6,380	5,960	420	2,280	5,900	1,080	120	3,200	1,880
MODERATE-COST										
Under 1	1,400	240	240	0	70	560	90	0	280	160
1	1,450	290	290	0	70	560	90	0	280	160
2-3	1,330	280	280	0	120	470	80	0	230	150
4-5	1,420	370	320	50	120	470	80	0	230	150
6	1,540	360	310	50	170	470	80	30	250	180
7-9	1,610	430	380	50	170	470	80	30	250	180
10-11	1,690	510	460	50	170	470	80	30	250	180
12	1,810	530	470	60	240	480	90	30	260	180
13-15	1,870	590	530	60	240	480	90	30	260	180
16-17	2,020	640	580	60	270	500	90	30	290	200
Total	29,560	8,080	7,320	760	3,140	8,740	1,520	360	4,600	3,120

See footnotes at end of table.

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Table 1 continued
Costs for Average Child, 1970 1/

Northeast/Rural Nonfarm

Age of child (years)	Estimated cost for-									
	Total	Food			Clothing	Housing 3/	Medical care	Education	Transportation	All other 4/
		Total	At home 2/	Away from home						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
ECONOMY										
Under 1	730	160	160	0	40	250	40	0	160	80
1	760	190	190	0	40	250	40	0	160	80
2-3	740	190	190	0	50	230	40	0	150	80
4-5	780	230	220	10	50	230	40	0	150	80
6	800	230	220	10	80	230	40	5/	140	80
7-9	840	270	260	10	80	230	40	5/	140	80
10-11	890	320	310	10	80	230	40	5/	140	90
12	920	320	310	10	100	240	40	5/	140	80
13-15	950	350	340	10	100	240	40	5/	140	80
16-17	1,110	390	380	10	190	250	40	10	150	80
Total	15,620	5,020	4,880	140	1,540	4,260	720	170	2,620	1,490
LOW-COST										
Under 1	1,170	200	200	0	60	460	60	0	250	140
1	1,210	240	240	0	60	460	60	0	250	140
2-3	1,150	240	240	0	90	410	60	0	220	130
4-5	1,210	300	270	30	90	410	60	0	220	130
6	1,270	290	260	30	130	400	60	20	220	150
7-9	1,330	350	320	30	130	400	60	20	220	150
10-11	1,390	410	380	30	130	400	60	20	220	150
12	1,470	410	380	30	200	400	60	20	230	150
13-15	1,510	450	420	30	200	400	60	20	230	150
16-17	1,660	510	470	40	250	410	60	20	250	160
Total	24,460	6,460	6,020	440	2,560	7,380	1,080	240	4,120	2,620
MODERATE-COST										
Under 1	1,720	240	240	0	80	710	90	0	350	250
1	1,770	290	290	0	80	710	90	0	350	250
2-3	1,710	280	280	0	130	650	90	0	320	240
4-5	1,810	380	320	60	130	650	90	0	320	240
6	1,950	390	320	70	190	640	90	60	320	260
7-9	2,010	450	380	70	190	640	90	60	320	260
10-11	2,100	540	470	70	190	640	90	60	320	260
12	2,260	540	470	70	290	660	90	60	340	280
13-15	2,320	600	530	70	290	660	90	60	340	280
16-17	2,550	670	590	80	380	680	90	60	370	300
Total	37,030	8,350	7,370	980	3,740	11,860	1,620	720	6,000	4,740

See footnotes at end of table.

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Table 1 continued
Costs for Average Child, 1970 1/ Northeast/Urban

Age of child (years)	Estimated cost for--									
	Total	Food			Clothing	Housing 3/	Medical care	Education	Transportation	All other 4/
		Total	At home 2/	Away from home						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
ECONOMY										
Under 1	730	170	170	0	40	300	40	0	100	80
1	760	200	200	0	40	300	40	0	100	80
2-3	750	200	200	0	70	270	40	0	90	80
4-5	790	240	220	20	70	270	40	0	90	80
6	810	240	220	20	100	260	40	10	80	80
7-9	850	280	260	20	100	260	40	10	80	80
10-11	900	330	310	20	100	260	40	10	80	80
12	930	340	320	20	110	270	40	10	80	80
13-15	960	370	350	20	110	270	40	10	80	80
16-17	1,060	410	390	20	150	280	40	10	90	80
Total	15,660	5,260	4,980	280	1,700	4,880	720	120	1,540	1,440
LOW-COST										
Under 1	990	210	210	0	60	420	60	0	150	90
1	1,030	250	250	0	60	420	60	0	150	90
2-3	980	250	250	0	90	360	50	0	140	90
4-5	1,030	300	280	20	90	360	50	0	140	90
6	1,050	300	280	20	130	330	50	10	130	100
7-9	1,100	350	330	20	130	330	50	10	130	100
10-11	1,160	410	390	20	130	330	50	10	130	100
12	1,250	420	400	20	170	340	50	10	150	110
13-15	1,280	450	430	20	170	340	50	10	150	110
16-17	1,380	510	490	20	190	340	50	10	160	120
Total	20,560	6,520	6,240	280	2,320	6,300	920	120	2,560	1,820
MODERATE-COST										
Under 1	1,560	260	260	0	80	670	90	0	270	190
1	1,620	320	320	0	80	670	90	0	270	190
2-3	1,600	310	310	0	140	610	90	0	250	200
4-5	1,690	400	350	50	140	610	90	0	250	200
6	1,820	410	350	60	190	600	90	50	250	230
7-9	1,890	480	420	60	190	600	90	50	250	230
10-11	1,980	570	510	60	190	600	90	50	250	230
12	2,130	570	510	60	280	620	90	50	280	240
13-15	2,190	630	570	60	280	620	90	50	280	240
16-17	2,370	700	630	70	350	630	90	50	300	250
Total	34,650	8,850	8,010	840	3,680	11,120	1,620	600	4,760	4,020

See footnotes at end of table.

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Table 1 continued
Costs for Average Child, 1970 1/

West/Rural Nonfarm

Age of child (years)	Estimated cost for--									
	Total	Food			Clothing	Housing 3/	Medical care	Education	Transportation	All other 4/
		Total	At home 2/	Away from home						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
ECONOMY										
Under 1	980	160	160	0	50	300	40	0	320	110
1	1,010	190	190	0	50	300	40	0	320	110
2-3	880	180	180	0	60	250	40	0	250	100
4-5	920	220	210	10	60	250	40	0	250	100
6	970	230	220	10	100	240	40	10	250	100
7-9	1,010	270	260	10	100	240	40	10	250	100
10-11	1,050	310	300	10	100	240	40	10	250	100
12	1,090	310	300	10	130	240	40	10	260	100
13-15	1,120	340	330	10	130	240	40	10	260	100
16-17	1,230	410	390	20	110	260	40	10	290	110
Total	18,600	4,960	4,800	160	1,680	4,520	720	120	4,760	1,840
LOW-COST										
Under 1	1,320	190	190	0	60	490	70	0	320	190
1	1,370	240	240	0	60	490	70	0	320	190
2-3	1,250	230	230	0	100	410	70	0	270	170
4-5	1,320	300	270	30	100	410	70	0	270	170
6	1,360	290	260	30	150	390	70	20	260	180
7-9	1,420	350	320	30	150	390	70	20	260	180
10-11	1,470	400	370	30	150	390	70	20	260	180
12	1,580	400	370	30	220	400	70	20	280	190
13-15	1,620	440	410	30	220	400	70	20	280	190
16-17	1,770	510	470	40	230	410	70	20	320	210
Total	26,370	6,370	5,930	440	2,760	7,380	1,260	240	5,040	3,320
MODERATE-COST										
Under 1	1,840	240	240	0	80	720	110	0	400	290
1	1,890	290	290	0	80	720	110	0	400	290
2-3	1,730	280	280	0	130	620	100	0	340	260
4-5	1,830	380	320	60	130	620	100	0	340	260
6	1,980	370	310	60	200	610	110	60	340	290
7-9	2,050	440	380	60	200	610	110	60	340	290
10-11	2,130	520	460	60	200	610	110	60	340	290
12	2,310	530	460	70	300	630	110	60	370	310
13-15	2,370	590	520	70	300	630	110	60	370	310
16-17	2,610	670	590	80	350	670	110	60	420	330
Total	37,880	8,220	7,300	920	3,780	11,440	1,940	720	6,520	5,260

See footnotes at end of table.

continued on next page

Table 1 continued
Costs for Average Child, 1970 1/

West/Urban

Age of child (years)	Estimated cost for--									
	Total	Food			Clothing	Housing 3/	Medical care	Education	Transportation	All other 4/
		Total	At home 2/	Away from home						
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
ECONOMY										
Under 1	870	160	160	0	40	340	70	0	170	90
1	910	200	200	0	40	340	70	0	170	90
2-3	840	190	190	0	50	300	60	0	150	80
4-5	900	240	220	20	60	300	60	0	150	80
6	920	240	220	20	90	290	60	10	140	90
7-9	970	290	270	20	90	290	60	10	140	90
10-11	1,010	330	310	20	90	290	60	10	140	90
12	1,060	340	320	20	140	300	60	10	140	90
13-15	1,110	370	350	20	140	300	60	10	140	90
16-17	1,150	420	400	20	140	300	70	10	150	90
Total	17,860	5,280	5,000	280	1,700	5,420	1,120	120	2,640	1,580
LOW-COST										
Under 1	1,200	200	200	0	60	480	80	0	240	140
1	1,250	250	250	0	60	480	80	0	240	140
2-3	1,140	240	240	0	90	420	80	0	210	140
4-5	1,240	300	270	30	90	420	80	0	210	140
6	1,280	300	270	30	140	390	80	10	210	150
7-9	1,330	350	320	30	140	390	80	10	210	150
10-11	1,390	410	380	30	140	390	80	10	210	150
12	1,490	430	390	40	190	400	80	10	220	160
13-15	1,520	460	420	40	190	400	80	10	220	160
16-17	1,640	530	480	50	190	410	80	10	250	170
Total	24,870	6,570	6,070	500	2,460	7,400	1,440	120	3,960	2,720
MODERATE-COST										
Under 1	1,680	240	240	0	80	690	110	0	330	230
1	1,740	300	300	0	80	690	110	0	330	230
2-3	1,670	290	290	0	130	620	110	0	290	230
4-5	1,770	310	250	60	130	620	110	0	290	230
6	1,910	340	270	70	190	610	110	50	300	260
7-9	1,980	410	340	70	190	610	110	50	300	260
10-11	2,070	550	480	70	190	610	110	50	300	260
12	2,210	550	480	70	270	630	110	50	330	270
13-15	2,360	600	530	70	270	630	110	50	330	270
16-17	2,500	680	600	80	340	660	110	50	360	300
Total	26,280	8,480	7,500	980	3,580	11,360	1,980	600	5,660	4,620

Note: Data rounded to nearest $10. 1/ In family of husband and wife and no more than five children. 2/ Includes home-produced food and school lunches. 3/ Includes shelter; fuel, light, refrigeration, and water; household operations; and furnishings and equipment. 4/ Includes personal care, recreation, reading, and other miscellaneous expenditures. 5/ Less than $5.00.

Differences in the Cost of Raising Natural vs. Foster Children

The direct cost data in Table 1 were derived from a very large national sample of households and did not pertain specifically to foster children. In some cases foster parents incur greater direct costs in raising a foster child than they incur in raising their own children. Our studies of foster parents' beliefs about cost of non-handicapped foster children suggest that most parents feel the expenses of raising foster children are quite similar to the expenses of raising an average child of the same age and sex. However, there are some areas where parents and agency workers do see differences due to foster child status. A foster child may eat more food and may be harder on clothes at least initially. Foster parents may end up buying more toys for a foster child than they would for a natural child, especially if the turnover of foster children in the area is fairly high and the foster parents let the foster children take the bikes, sleds, etc., with them when leaving the family. Our research also shows that foster parents often use brand name clothes to build up the foster child's self concept.

Table 2: Consumer Price Index for Urban Wage Earners and Clerical Workers by Region (1967=100)

Annual Average	All Items	Total Food	Housing	Clothing (Apparel & Upkeep)	Trans-portation
North Central Region					
1967	100.0	100.0	100.0	100.0	100.0
1968	104.3	109.2	104.3	105.8	103.4
1969	109.9	114.7	110.3	111.5	107.8
1970	116.1	117.6	118.2	116.0	112.5
1971	120.4	117.6	122.0	119.8	118.7
1972	124.0	122.8	126.0	122.4	119.4
1973	131.5	141.2	130.4	127.1	123.7
1974	145.7	161.8	143.9	136.0	138.1
1975	158.5	173.3	160.0	142.2	149.3
1976	167.6	179.9	169.9	147.5	162.2
Northeast Region					
1967	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	104.0	105.9	103.0
1969	110.3	109.5	110.6	112.7	108.1
1970	117.6	116.3	119.0	117.4	116.3
1971	123.8	121.0	126.8	121.0	123.1
1972	128.5	125.8	133.2	123.6	125.5
1973	136.7	143.0	140.4	127.9	128.6
1974	151.7	163.9	157.0	137.5	140.7
1975	164.0	177.0	170.3	143.0	154.6
1976	173.3	183.1	179.7	147.7	173.9
Southern Region					
1967	100.0	100.0	100.0	100.0	100.0
1968	104.3	103.8	104.5	105.0	103.0
1969	110.4	109.7	112.0	111.2	106.5
1970	116.4	115.3	120.1	116.1	109.9
1971	121.1	118.3	125.1	119.7	115.5
1972	124.8	123.6	129.4	122.3	116.4
1973	133.0	142.9	135.6	127.7	120.0
1974	149.0	164.0	153.4	137.3	136.0
1975	163.7	178.7	171.8	144.0	149.2
1976	172.8	183.1	183.2	151.4	161.6
Western Region					
1967	100.0	100.0	100.0	100.0	100.0
1968	103.7	102.8	103.9	105.2	102.3
1969	108.8	107.2	110.9	110.2	105.4
1970	114.3	112.0	120.1	114.7	109.2
1971	118.3	115.2	122.7	118.3	116.1
1972	122.1	120.4	127.1	120.9	116.1
1973	129.3	136.7	133.0	124.6	120.2
1974	142.9	156.1	147.1	133.5	134.1
1975	157.7	169.9	165.5	139.2	148.6
1976	167.3	173.7	177.7	143.7	162.2

In 1973 the Bureau of Labor Statistics began publishing a new set of consumer price indexes which measure price changes in urban areas grouped by regions. The new indexes are published four times a year—for the months of March, June, September, and December—in the monthly *Consumer Price Index Report*. The December issue contains annual average rather than quarterly data. Data from the December issue is included in this table. Unfortunately, the consumer price index groups covered in the regional breakdowns do not correspond completely with the breakdowns in the U.S.D.A. tables. "Food at home," "food away from home," "medical care," "education (reading and recreation)," and "all other (personal care, reading and recreation average)," for example, do not appear as separate consumer price indexes in the regional breakdowns. Nevertheless, the differences between the index for these groups and the total consumer price index for the year is small. Moreover, in measuring the direct cost of foster care, most people would not be interested in item by item adjustments anyway.

Table 3: Consumer Price Index for Urban Wage Earners and Clerical Workers by Size of City (1967=100)

Annual Average	All Items	Total Food	Housing	Clothing (Apparel & Upkeep)	Transportation
Cities With an Urban Population of 3.5 Million or More					
1967	100.0	100.0	100.0	100.0	100.0
1968	104.3	103.8	103.9	105.4	103.5
1969	110.2	109.5	110.5	111.4	108.7
1970	117.4	116.2	119.0	115.7	117.0
1971	123.0	120.2	125.6	119.0	123.3
1972	127.5	125.6	131.4	121.3	125.5
1973	135.6	143.1	137.8	126.2	129.4
1974	150.2	163.6	153.0	135.0	142.1
1975	162.5	176.4	166.8	139.2	155.9
1976	171.6	181.7	176.2	142.7	173.2
Cities With an Urban Population of 1.4 Million to 3.5 Million					
1967	100.0	100.0	100.0	100.0	100.0
1968	104.4	103.7	104.4	105.5	103.3
1969	110.4	109.4	111.1	112.0	108.2
1970	116.6	115.3	118.8	116.7	113.3
1971	121.7	118.5	124.2	120.9	119.8
1972	125.5	123.2	128.9	123.3	121.1
1973	133.0	141.1	134.2	127.9	124.2
1974	147.0	161.4	148.4	137.5	137.1
1975	160.4	175.1	163.6	143.8	150.2
1976	169.8	181.1	173.6	148.5	167.2
Cities With an Urban Population of 250,000 to 1.4 Million					
1967	100.0	100.0	100.0	100.0	100.0
1968	104.0	103.3	104.3	104.9	102.8
1969	109.9	108.8	111.6	111.3	106.2
1970	116.2	114.4	120.0	116.2	110.3
1971	120.8	117.5	124.5	120.0	116.0
1972	124.7	122.7	128.9	123.0	117.4
1973	132.4	140.4	134.6	128.6	121.4
1974	146.7	161.0	149.1	137.6	136.0
1975	160.3	174.8	165.7	144.0	147.7
1976	169.4	180.4	176.2	151.1	160.5
Cities With an Urban Population of 50,000 to 250,000					
1967	100.0	100.0	100.0	100.0	100.0
1968	104.3	103.3	104.3	105.9	102.7
1969	109.7	108.8	110.5	111.5	106.6
1970	115.5	113.9	118.0	116.4	111.1
1971	120.1	117.1	123.0	120.3	116.0
1972	123.9	122.3	127.7	123.0	116.4
1973	131.7	140.4	133.9	127.7	119.8
1974	146.8	160.5	150.5	138.0	135.0
1975	160.7	173.5	167.9	145.4	148.9
1976	169.9	179.2	178.9	151.0	161.8
Cities With an Urban Population of 2,500 to 50,000					
1967	100.0	100.0	100.0	100.0	100.0
1968	104.0	103.2	104.1	105.3	103.1
1969	109.1	108.2	110.2	111.1	105.9
1970	114.9	113.9	117.7	115.7	109.7
1971	119.5	117.3	122.4	119.6	115.2
1972	122.9	122.0	126.5	121.8	116.1
1973	130.7	140.1	132.1	125.7	120.1
1974	146.7	161.8	149.8	135.4	135.3
1975	161.3	174.4	169.1	143.3	148.1
1976	171.0	179.7	181.4	150.4	161.4

See notes on following page.

In 1972 the Bureau of Labor Statistics began publishing a new series of consumer price indexes which measure price changes by city size. The new indexes are published four times a year—for the months of March, June, September, and December—in the monthly *Consumer Price Index Report*. The December issue contains annual average rather than quarterly data. Data from the December issue is included in this table.

As with the regional consumer price index breakdowns in Table 3-3, the index groups covered in the city size breakdowns do not correspond completely with the breakdowns used in the U.S.D.A. tables. Nevertheless, most of the index groups are included and with only a few adjustments the "all items" breakdown is a reasonable estimate of the missing index groups.

The Bureau of Labor Statistics also publishes separate monthly indexes for each of the five largest metropolitan areas in the consumer price index (Chicago-Northwestern Indiana, Detroit, Los Angeles-Long Beach, New York-Northeastern New Jersey, and Philadelphia) and separate quarterly indexes for each of 18 other areas:

Atlanta	Boston	Dallas	Kansas City	Pittsburgh	San Francisco-Oakland
Baltimore	Cincinnati	Honolulu	Milwaukee	Saint Louis	Seattle
Buffalo	Cleveland	Houston	Minneapolis-St. Paul	San Diego	Washington, D.C.

If you are interested in any of these 18 areas, you should consult the recent issues of the *Monthly Labor Review* or the *Consumer Price Index Report* (monthly) for specific indexes for those areas instead of using the more general indexes in this table.

Table 4: Consumer Price Index for Urban Wage Earners and Clerical Workers for the United States (1967=100)

Annual Average	All Items	Total Food	Food at Home	Food away from Home	Clothing (Apparel & Upkeep)	Housing	Medical Care	Education (Reading & Recreation)	Transportation	All Other (Personal Care, Reading and Recreation averaged)
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	103.2	105.2	105.4	104.2	106.1	104.7	103.2	104.4
1969	109.8	108.9	108.2	111.6	111.5	110.8	113.4	108.7	107.2	109.0
1970	116.3	114.9	113.7	119.9	116.1	118.9	120.6	113.4	112.7	113.3
1971	121.3	118.4	116.4	126.1	119.8	124.3	128.4	119.3	118.6	118.0
1972	125.3	123.5	121.6	131.1	122.3	129.2	132.5	122.8	119.9	121.3
1973	133.1	141.4	141.4	141.4	126.8	135.0	137.7	125.9	123.8	125.8
1974	147.7	161.7	162.4	159.4	136.2	150.6	150.5	133.8	137.7	135.6
1975	161.2	175.4	175.8	174.2	142.3	166.8	168.6	144.4	150.6	147.6
1976	170.5	180.8	179.5	186.1	147.6	177.2	184.7	151.2	165.5	155.8

To update the items in this table, consult the *Consumer Price Index Report* (monthly), the *Monthly Labor Review*, or the *Statistical Abstract of the United States* (annual).

In calculating the direct cost of foster child care, such costs should be added to the costs listed for the average child. On the other hand, the foster care agency may reimburse foster parents for extra transportation, medical, and clothing costs incurred in raising a foster child. If these payments exist they must be subtracted from the cost of care for an average child.

Some possible means for dealing with cost differences for a child because of foster care status include:

- Use available data at a higher budget level (use moderate-cost rather than low-cost figures, for example).
- Use a local pricing survey.
- Move the expense directly to the agency rather than the family.
- Use parental records and receipts for special reimbursement.

In addition to taking into consideration all the variables considered in Table 1, data is available to adjust for differences in direct costs for families of different sizes based on the age of the youngest child. Unfortunately, at the present time, the U.S.D.A. researchers have only compiled such data for two of the four regions of the country: North Central and South.

Refining the Cost Estimates for Food and Clothing

Food and clothing costs represent a substantial portion of the cost of raising children and seem to be the direct cost items of most concern to foster care agencies in determining their payment schedules. Since the

food and clothing cost data in Table 1 are based on the "market basket" of goods and services being consumed in 1960-1961, some researchers may be interested in other secondary data sources that would provide more up-to-date direct cost information on this critical area.

The U.S. Department of Agriculture releases a report entitled "The Cost of Food at Home" each month. Regional estimates are available for January each year. These reports cover the average cost of food at home for children at four levels of living: thrifty, low-cost, moderate-cost, and liberal. The estimates are based on food budget plans which were revised in 1974. The plans are evaluated and revised whenever new information on food consumption, food prices, food composition, and nutritional needs becomes available. Therefore, these cost estimates are probably a more accurate estimate of food costs at home than the data in the food category in Table 1. These estimates may be found in the quarterly issues of *Family Economics Review* published by the Consumer and Food Economics Institute, Agricultural Research Service, U.S. Department of Agriculture.

The U.S.D.A. also regularly publishes annual clothing cost data for children of different ages for the four U.S. regions (North Central, South, Northeast, and West), for each of three levels of living (economy, low-cost, and moderate-cost). These estimates may be found in the summer issue of the *Family Economics Review*. The clothing cost data is based on the 1960-61 Bureau of Labor Statistics consumer expenditure survey adjusted to current dollars using the "apparel and upkeep" category of the consumer price index. This is the same procedure we have used in Worksheet A for computing clothing costs so the difference between the estimate you obtain using Worksheet A and the U.S.D.A. estimate should be minimal.

Definition of Terms Used in the Direct Cost Method

The following definitions may be useful for understanding the material in this section.

Consumer Price Index. The consumer price index (C.P.I.) is a statistical measure of changes in prices of goods and services bought by urban wage earners and clerical workers, including families and single persons. The index is often called the "cost-of-living index," but its official name is Consumer Price Index for Urban Wage Earners and Clerical Workers. The index represents price changes for everything people buy for living—food, clothing, automobiles, homes, rent, home furnishings, household supplies, fuel, drugs, and recreational goods; fees to doctors, lawyers, beauty shops; repair costs, transportation fares, public utility rates, etc., including all taxes directly associated with the purchase of such items and their continued ownership. The consumer price index is a weighted, aggregative index number with "fixed" or "constant" annual weights; it often is referred to as a "market basket" index, because the procedure is to measure price changes by repricing at regular time intervals and comparing aggregate costs of a representative market basket of goods and services in a selected base period.

Level of Living - The U.S.D.A. economy, low-cost, and moderate-cost food plans were used to estimate what families were living at similar levels. When the tables in this section were compiled, the U.S.D.A. published data on four food plans: the economy plan, low-cost plan, moderate-cost plan, and liberal plan. Recently, the U.S.D.A. stopped publishing information on the economy food plan and began writing about a new "thrifty" plan. These five plans are described below.

(a) *Economy* - This food plan is based on the 1955 U.S.D.A. Food Consumption Survey. The *per capita* cost of the economy food plan was approximately the 10th percentile on distribution of households by money value of food per person per week. It should also be noted that the costs of the economy plan are estimated at 80 percent of the cost for the low-cost plan.

(b) *Thrifty* - This food plan recently prepared by the Agricultural Research Service is being considered as an alternative to the economy food plan in calculating coupon allotments for the Food Stamp Program. The thrifty food plan contains more meat, poultry, and fish and less dry beans, potatoes, and grain products than the economy food plan. Food consumption patterns of households surveyed in 1965-66 that used food valued at or slightly above the cost of the economy plan were adopted as the basis for defining the kinds and amounts of foods in the thrifty food plan.

(c) *Low-cost* - Households were first put in order by the money value of food they used per person. Those from the 26th to the 49th percentile were used as the model for food consumption patterns for the

Worksheet A: Estimating the direct costs of raising a foster child using U. S. Department of Agriculture data

Step 1: In order to use this worksheet for estimating the average annual direct cost of a foster child in a particular area, you must first be able to answer the following three questions:

(1) What proportion of the foster children in the area live in urban, rural farm, and rural nonfarm areas? (See the definitions for an explanation of these terms.)

proportion living in rural farm areas = _____%

proportion living in rural nonfarm areas = _____%

proportion living in urban areas = _____%

TOTAL 100 %

(2) Within each of the three areas listed above, what proportion of the foster children living in the area are the ages listed below?

Ages	Rural Farm Areas	Rural Nonfarm Areas	Urban Areas
Under 1	____%	____%	____%
1	____%	____%	____%
2- 3	____%	____%	____%
4- 5	____%	____%	____%
6	____%	____%	____%
7- 9	____%	____%	____%
10-11	____%	____%	____%
12	____%	____%	____%
13-15	____%	____%	____%
16-17	____%	____%	____%
	100 %	100 %	100 %

(3) On an annual basis, how much greater or less are the average direct costs of raising a foster child than the direct costs of raising a natural child of the same age and sex?

Two additional facts are also needed before this worksheet may be used. Please check off the correct blocks below.

(4) What region of the country are you interested in?

_____ North Central (includes the states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin)

_____ South (includes the states of Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia)

_____ Northeast (includes the states of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont)

_____ West (includes the states of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming)

(5) At what level of living are the foster families in your area living? (See the definitions for an explanation of these terms.)

_____ economy _____ low-cost _____ moderate-cost

Step 2: Use the chart below to determine the page numbers in Table 1 you should use in completing this worksheet.

REGION OF COUNTRY (see question 4 in Step 1)

Cost Level (see question 5 in Step 1)	NORTH CENTRAL			SOUTH			NORTHEAST			WEST		
	RURAL FARM	RURAL NONFARM	URBAN	RURAL FARM	RURAL NONFARM	URBAN	RURAL FARM	RURAL NONFARM	URBAN	RURAL FARM	RURAL NONFARM	URBAN
Economy	7	8	9	10	11	12	13	14	15	*	16	17
Low-Cost	7	8	9	10	11	12	13	14	15	*	16	17
Moderate-Cost	7	8	9	10	11	12	13	14	15	*	16	17

*A programming error invalidated estimates for the farm child in the West. Use the rural nonfarm data (p. 16) to approximate the rural farm costs.

Step 3: Fill in the needed information below using the data in Table 1 and your knowledge of the proportion of agency foster children living in rural farm, rural nonfarm, and urban areas by age. (See question 2 in Step 1.)

Rural Farm Location

In Rural Farm Areas, Proportion of Foster Children of Ages:		Total Cost Data from Table 1:	
Under 1	_____ X	$_____	= $_____
1	_____ X	$_____	= $_____
2- 3	_____ X	$_____	= $_____
4- 5	_____ X	$_____	= $_____
6	_____ X	$_____	= $_____
7- 9	_____ X	$_____	= $_____
10-11	_____ X	$_____	= $_____
12	_____ X	$_____	= $_____
13-15	_____ X	$_____	= $_____
16-17	_____ X	$_____	= $_____
1.00		Item (1)	$_____ =

Average direct cost of raising a child in a rural farm area in a specific region and at a specific level of living (in 1970 dollars).

Rural Nonfarm Location

In Rural Nonfarm Areas, Proportion of Foster Children of Ages:		Total Cost Data from Table 1:	
Under 1	_____ X	$_____	= $_____
1	_____ X	$_____	= $_____
2- 3	_____ X	$_____	= $_____
4- 5	_____ X	$_____	= $_____
6	_____ X	$_____	= $_____
7- 9	_____ X	$_____	= $_____
10-11	_____ X	$_____	= $_____
12	_____ X	$_____	= $_____
13-15	_____ X	$_____	= $_____
16-17	_____ X	$_____	= $_____
1.00		Item (2)	$_____ =

Average direct cost of raising a child in a rural nonfarm area in a specific region and at a specific level of living (in 1970 dollars).

Urban Location

In Urban Areas, Proportion of Foster Children of Ages:		Total Cost Data From Table 1:		
Under 1	_____ X	$_____	=	$_____
1	_____ X	$_____	=	$_____
2- 3	_____ X	$_____	=	$_____
4- 5	_____ X	$_____	=	$_____
6	_____ X	$_____	=	$_____
7- 9	_____ X	$_____	=	$_____
10-11	_____ X	$_____	=	$_____
12	_____ X	$_____	=	$_____
13-15	_____ X	$_____	=	$_____
16-17	_____ X	$_____	=	$_____
1.00		Item (3)	$_____ =	Average direct cost of raising a child in an urban area in a specific region and at a specific level of living (in 1970 dollars).

Step 4: To calculate the average cost of a child in the entire region (not rural farm, rural nonfarm, and urban locations separately), multiply the proportion of foster children in each location by Items 1, 2, and 3. (See question 1 in Step 1.)

Location	Average Cost in Each Region:		Proportion of Foster Children in each location:		Weighted Average Cost in each location:	
Rural farm (Item 1)	$_____	X	_____	=	$_____	
Rural nonfarm (Item 2)	$_____	X	_____	=	$_____	
Urban (Item 3)	$_____	X	_____	=	$_____	Average direct cost of raising a child in a specific region and at a specific level of living (in 1970 dollars).
			1.00	Item (4)	$_____	=

Step 5: Using Tables 2, 3, or 4, fill in the needed information below to adjust for differences in the value of the dollar between 1970 and the year desired.

Table 2 enables you to adjust for regional differences in the consumer price index.

Table 3 enables you to adjust the consumer price index for cities of different sizes.

Table 4 contains the national average consumer price index for all categories contained in Tables 2 and 3.

To obtain cost estimates comparable to the 1970 data in Table 1 for a specified year, multiply the 1970 cost estimate (Item 4) by the appropriate index number for the year desired and divide the product by the index number for 1970.

> Note: Significant differences in price movements occur between rural and urban areas and within urban areas of different sizes just as they occur between the major geographical regions. In general, prices rise faster in urban areas than in rural areas and in larger urban areas than in smaller urban areas. Unfortunately, there is no easy way to take urban-rural differences into consideration since the consumer price index is essentially an urban index. However, since 1973 the Bureau of Labor Statistics has been publishing regional breakdowns for the consumer price index (see Table 2). And since 1972, the Bureau has been publishing consumer price index breakdowns by city size (see Table 3). In most cases, such regional and city size breakdowns will provide a more accurate estimate of the value of the dollar for the area and the year desired than the national average consumer price index (see Table 4).

Average direct cost of raising a child in area (Item 4): $_____ (A)

Index number for year desired from Table 2, 3, or 4: _____ (B)

Index number for 1970 from Table 2, 3, or 4: _____ (C)

$$\frac{(A) \times (B)}{(C)} = \frac{AB}{C} = \text{Item (5)}$$

Average direct cost of raising a child after adjusting for changes in the value of a dollar: $_____ per year

Step 6: Fill in the needed information below to adjust for differences between the cost of raising natural children and foster children (see question 3 in Step 1).

Average direct cost of raising a child after adjusting for changes in the value of a dollar (Item 5) = $_____

Yearly direct cost adjustment because the child is a foster child and not a natural child = ± $_____

Average direct cost of raising a foster child in a specific region after adjusting for differences between the cost of raising natural children and foster children = Item (6) $_____ per year

low-cost plan. This food plan calls for smaller amounts of most foods, especially milk cheese and ice cream; meat, poultry, and fish; fruit and vegetables other than potatoes; and bakery products. It calls for larger amounts of cereal, flour, and bread. Users of the low-cost plan are expected to select, most of the time, the lower cost foods within food groups—ground beef rather than steak and bread rather than fancy rolls, for example.

(d) *Moderate-cost* - Households from the 50th to the 76th percentile based on the money value of food per person were the model for the moderate-cost plan. This food plan not only includes larger quantities of meat and vegetables and fruit than the low-cost plan, but allows for more frequent purchase of the higher priced cuts of meat and out-of-season foods. This plan allows for meals with more variety and less home preparation than does the low-cost plan. Greater discard of food beyond the normal discard of bone and other inedible parts of food is assumed in the moderate-cost than the low-cost plan.

(e) *Liberal* - Households from the 77th to the 92nd percentile based on the money value of food per person were the model for the liberal-cost plan. This food plan allows for a greater variety of foods for considerably more animal products, fruits, and vegetables than the moderate-cost plan. More expensive choices within the groups account for much of the greater cost of the liberal plan. Greater discard of edible food is assumed in the liberal than in the less costly plans.

The chart below may help you determine the food plan that foster families in your area can afford.

Food plan that families of different sizes and incomes can usually afford, winter 1976[1]

Income (before taxes)	1-person families	2-person families	3-person families	4-person families	5-person families	6-person families
$2,500 to $5,000	Thrifty or Low-cost	Thrifty or Low-cost	Thrifty[2]	Thrifty[2]	Thrifty[2]	Thrifty[2]
$5,000 to $10,000	Moderate-cost	Low-cost or Moderate-cost	Thrifty or Low-cost	Thrifty or Low-cost	Thrifty[2] or Low-cost	Thrifty[2]
$10,000 to $15,000	Liberal	Moderate-cost	Low-cost or Moderate-cost	Low-cost	Low-cost	Thrifty or Low-cost
$15,000 to $20,000	Liberal	Liberal	Moderate-cost	Low-cost or Moderate-cost	Low-cost	Low-cost
$20,000 to $30,000	Liberal	Liberal	Liberal	Moderate-cost	Moderate-cost	Low-cost or Moderate-cost
$30,000 or more	Liberal	Liberal	Liberal	Moderate-cost or Liberal	Moderate-cost or Liberal	Moderate-cost or Liberal

[1]Based on costs for the food plans estimated for winter 1976, and on data from the Consumer Expenditure Survey Series: Diary Data 1972 (BLS Report 448-1), updated to winter 1976.
[2]Many households of this size and income are eligible for assistance through the Food Stamp Program.

Note: The plan shown in the column corresponding to the number of persons in the family and opposite the family income before taxes, costs about the amount a typical household of similar size and income spends for food. It is the plan a family of that size and income can usually afford.

Note: The economy food plan was used as a basis for the Pennock "Cost of Raising a Child" study. The U.S.D.A. is now recommending the thrifty food plan as an alternative to the economy food plan. Additional information on annual costs for a four-person family for three standards of living is available fron the U.S.D.L., Bureau of Labor Statistics for selected metropolitan and non-metropolitan areas.

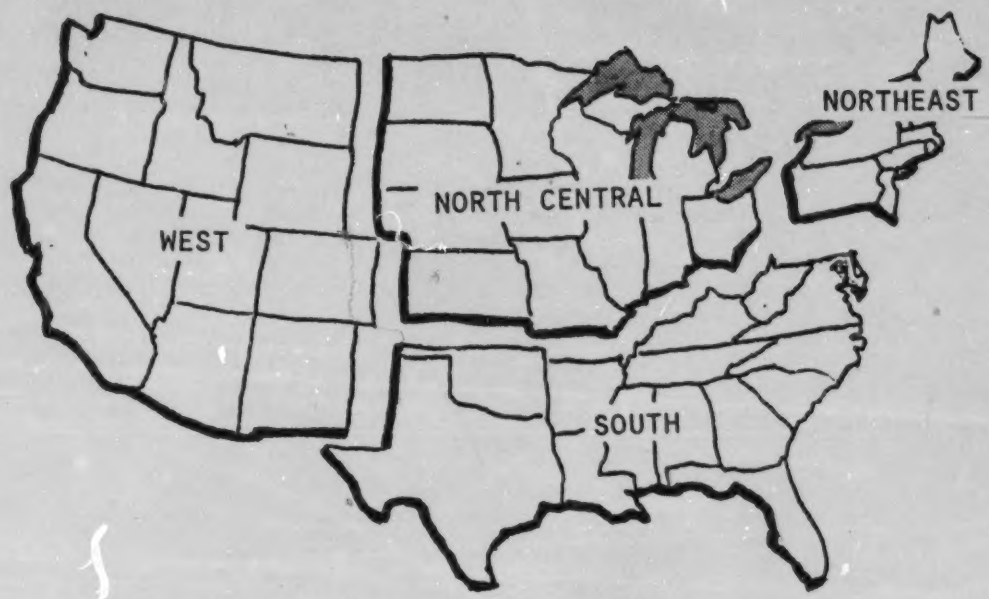
Region. The U.S.D.A. researchers divided the country into four geographic regions (excluding Alaska and Hawaii):

(a) *North Central* - Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin.

(b) *South* - Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia.

(c) *Northeast* - Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

(d) *West* - Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.



Urbanization. The U.S.D.A. researchers used census definitions to determine where families lived in the four geographic regions:

(a) *Rural farm* - Consumer units residing on a farm. A farm is defined as a place of 10 acres or more from which the sale of crops, livestock products, etc. (and/or government farm program payments) amounted to $50 or more; or a place of less than 10 acres with sales (and/or payments) of $250 or more. A dwelling is not considered to be on a farm if cash rent is paid for the dwelling alone (i.e., if the dwelling is rented separately from the farm).

(b) *Rural nonfarm* - Consumer units residing outside of urban areas, but not on farms.

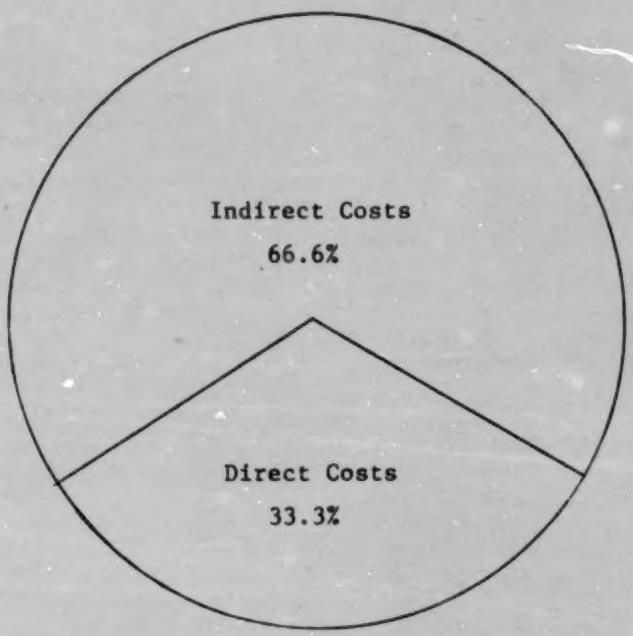
(c) *Urban* - Consumer units residing in incorporated places of 2,500 population or more or consumer units residing in the densely settled (urbanized) areas immediately adjacent to cities of 50,000 population or more.

MEASURING THE INDIRECT COST OF FOSTER CARE

A major cost that is rarely considered when one calculates the dollar value of foster family care is the cost of the time devoted by family members to the raising of a child. Such "indirect costs" of child care must be considered if realistic comparisons to other kinds of foster care programs are to be made. A group foster care program usually includes an assessment for indirect expenses such as a salary for houseparents. The foster family program assumes that the services of the mother and/or father are essentially free or no cost items. An assessment of total costs, direct and indirect, is essential for evaluating and comparing the cost of foster family care services to other child care programs.

A number of researchers have concluded that indirect costs such as the cost of family members' time are the single most important price variable associated with the bearing and raising of children. They conclude that even the sum of all the direct costs of children will be smaller than the indirect cost of the family members' time. The National Consumer Finance Association estimates that two-thirds of the cost of raising a child are indirect costs (see Table 5).

Table 5: Estimated Total Cost of Raising a Child*



*Commission on Population Growth and the American Future, *Finance Facts* (Washington, D.C.: National Consumer Finance Association, May 1972).

In spite of technology, research has shown that household work still takes an average of 5-8 hours per day and the major portion of household work is done by the wife. When not employed outside the home, the average woman spends about eight hours a day in homemaking and almost five hours a day when employed 30 or more hours per week.[10] Time spent in household tasks has remained fairly constant over the past fifty-five years, despite the fact that the number of employed women has risen from one out of five to two out of five of all workers.[11] These are important facts to consider as we evaluate the indirect cost of foster children.

Worksheets are provided for three methods: household tasks, alternative child care, and opportunity cost. These particular methods were selected because they are frequently discussed in the literature and they appear to be applicable to local situations without extensive investment in additional research. No one of these methods is best, all three are based on different assumptions. We suggest that all three measures be used to develop an estimate of the value of the foster family's services. There is current research being done on another method to determine parental time use (see list of related research).

The Household Tasks Method

Researchers using the household tasks method measure the time devoted to various household and child care tasks by household members and then find the cost of substituting specialized workers for these tasks at local wage rates. Worksheet B uses this method for estimating the indirect cost of foster care.

[10]Kathryn E. Walker, "Time-Use Patterns for Household Work Related to Homemakers' Employment," Speech, 1970 National Agricultural Outlook Conference, 18 February 1970, p. 5.

[11]U.S. Department of Labor, Employment Standards Administration, Women's Bureau, *Women Workers Today* (Washington, D.C.: Government Printing Office, 1976).

Walker has refined the household task method so that it is a useful tool for measuring the indirect costs of child care.[12] A primary purpose of this research was to learn how much difference each added child made to the time family members devoted to household work and to gauge the difference in time devoted to household work if the youngest child was a baby, toddler, preschooler, or school-age child. She began by identifying how many minutes per day various family members devote to household and child raising activities. Then she identified workers in the market place performing similar tasks. Such workers included cooks, dishwashers, cleaning women, handymen, washing machine operators, laundry workers, clothing maintenance specialists, child-care women, homemaker aides, and accounting clerks. Next she obtained wage rates for each task by contacting public and private employment agencies and by consulting publications of the U.S. Bureau of Labor Statistics.[13] For example, in 1971, when the preliminary results were published, rates ranged from $1.65 per hour for a dishwasher to $2.50 an hour for a cleaning woman.

Once hourly rates were assigned, they were applied to the amount of time spent by each family member. The household tasks given a dollar value were marketing; management and record keeping; food preparation; after-meal cleanup; house care and maintenance; yard and car care; washing, ironing, and special care of clothing; physical and other care of family members.

The household tasks method provides one of the most conservative estimates of the indirect cost of raising a child. There are several reasons for this. First, Walker attempts to determine what it would cost to hire someone to do the task in question, not what it would cost to replace the family member doing it. Thus, even if the homemaker has a degree in specialized education, the time the homemaker spent in child care activities would be valued at the rates for a baby sitter. Second, Walker used only the time spent on principal activities or "primary time" in her analysis of time records even though a large amount of "secondary time" (time spent on one activity while principally engaged in some other activity) was reported for care of family members in her study.[14] Third, it would be difficult to hire someone at the rates proposed by the method for the relatively small amounts of time household members devote to most household tasks. Finally, family members often perform some tasks that no one else could do.[15]

The Addition of a Foster Child to a Family. Since we are interested in the effects of adding a foster child to a family, we are primarily interested in the *incremental* change in household and child raising time. Tables 6 and 7 may be used to find the incremental change in time devoted to daily household tasks when a child comes to live with a family.

Using Table 6, the researcher can calculate the incremental time-use changes for a housewife or family as a whole for food, house care, care of clothing, and marketing and management activities. With Table 7 the researcher can calculate the change in household time due to primary family care activities with the addition of a child to a household.

Before attempting to assign a dollar value to the increase in time devoted to household tasks by family members with the addition of a foster child to a family, an adjustment may be made in Walker's data. For each household task category, estimate if the time family members devote to natural child care differs significantly from the time they would devote to foster child care. For example, if foster parents spend more time picking up after a foster child because the child's habits in this regard are not the same (at least initially) as a natural child of the same age and sex, then adjust upward the estimated time for "hours care activities."

Choosing the Dollar Value. A number of researchers have suggested means for assigning a dollar value to household tasks because of the addition of a child to the family. Several possible methods are:

1. Use federal and state minimum wage laws as a guide. Although the federal and most state minimum wage laws do not apply to employment in the home, they do act as a conservative estimate of the salary

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[12]Kathryn E. Walker and William H. Gauger, "The Dollar Value of Household Work," *Consumer Economics and Public Policy No. 5 Information Bulletin 49* (Ithaca, New York: Cornell University, New York State College of Human Ecology, 1973).

[13]Four major types of employee earnings surveys are regularly published by the Bureau of Labor Statistics: (1) area surveys in selected metropolitan and non-metropolitan areas; (2) industry surveys in selected manufacturing and non-manufacturing industries; (3) national salary surveys covering selected professional, administrative, technical, and clerical occupations in private employment; and (4) surveys of union wage rates and hours. Contact your local government document depository, library, or the regional Bureau of Labor Statistics for more information.

[14]Kathryn E. Walker, "Time Use for Physical Care of Family Members," 21 September 1972, Working Paper No. 1, Use-of-Time Research Project, New York State College of Human Ecology, Cornell University, Ithaca, New York, p. 6.

[15]A new study by Walker and Associates is in progress during 1977-78, so national estimates will be available in the future.

Table 6: Average hours per day of primary time used by household members for household activities[1]

Household with:	Food Related Activities		House Care		Care of Clothing		Marketing and Management	
	All workers	Homemaker	All workers	Homemaker	All workers	Homemaker	All workers	Homemaker
No children								
Nonemployed homemaker	2.3	2.0	2.2	1.5	1.2	1.1	1.4	0.9
Employed homemaker	1.5	1.3	1.4	0.9	0.7	0.6	1.2	0.8
1 child								
Nonemployed homemaker	2.3	2.1	2.3	1.5	1.2	1.1	1.5	1.0
Employed homemaker	2.0	1.6	2.0	1.3	0.9	0.8	1.3	0.7
2 children								
Nonemployed homemaker	2.6	2.3	2.5	1.7	1.4	1.4	1.6	0.9
Employed homemaker	2.4	1.8	2.4	1.1	1.1	0.9	1.7	0.9
3 children								
Nonemployed homemaker	2.9	2.3	2.9	1.7	1.4	1.3	1.9	1.1
Employed homemaker	2.8	1.8	3.2	1.4	1.3	1.1	1.7	0.8
4-6 children								
Nonemployed homemaker	3.1	2.4	3.1	1.7	1.6	1.4	1.9	1.0
Employed homemaker	3.1	1.9	2.8	1.2	1.5	1.2	1.8	0.9
7-9 children								
Nonemployed homemaker	4.7	2.6	4.2	1.5	1.8	1.6	2.2	1.1
Employed homemaker	*	*	*	*	*	*	*	*

* = less than 15 cases

[1]Adapted from Kathryn E. Walker and Margaret E. Woods, "Time Use for Physical Care of Family Members," 21 September 1972, Working Paper No. 1, Use-of-Time Research Project, New York State College of Human Ecology, Cornell University, Ithaca, New York, Table 3.

Table 7: Average hours per day of primary time used by household members for family care activities (physical and other care of family members)[1]

No. of Children[2]	1 Child		2 Children		3 Children		4-6 Children		All Households with 1 or more children	
Nonempl. Mother	Empl. Mother	Nonempl. Mother	Empl. Mother	Nonempl. Mother	Empl. Mother	Nonempl. Mother	Empl. Mother	Nonempl. Mother	Empl. Mother	Nonempl. Mother	Empl. Mother
No children at home											
All workers' time	.2	.3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Homemaker's time	.1	.1										
Youngest child at home under 6 years												
All workers' time	N.A.	N.A.	3.0	2.6	3.5	3.1	3.2	3.6	4.2**	3.4	3.5	3.2
Homemaker's time	N.A.	N.A.	2.4	1.5	2.7	1.5	2.3	1.8	2.9**	1.9	2.6	1.5
Youngest child at home 6-11 years												
All workers' time	N.A.	N.A.	1.2	1.2	1.4	1.4	1.5	1.2	1.6	1.3	1.5	1.3
Homemaker's time			.6	.5	.9	.8	1.0	.6	1.1	.9	1.0	.7
Youngest child at home 12-17 years												
All workers' time	N.A.	N.A.	.6	.6	.7	.8	.8	.6	*	.7	.6	.6
Homemaker's time			.4	.3	.4	.3	.5	.3	*	.4	.4	.4

* = less than 15 cases

** = estimated value

[1] Adapted from Kathryn E. Walker and Margaret E. Woods, "Time Use for Care of Family Members," Working Paper No. 1, Tables 1 and 2.

[2] Adapted from Kathryn E. Walker and Margaret E. Woods, "Time Use for Care of Family Members," Working Paper No. 1, Table 3.

that would have to be paid by an employer wishing to hire someone to do household and child raising tasks. For example, at the time of this publication, the Delaware minimum wage for non-gratuitous work was $2 an hour.

2. Use the cost of an adult baby sitter as a guide. Several writers have suggested that a conservative estimate of the indirect cost of household members' time may be obtained by using the prevailing rate for an adult baby sitter in a particular area.

3. Use the average hourly wage earned by workers in occupations similar to those performed by household members as a guide. This is the method suggested by Walker.[16]

The three methods suggested for assigning a dollar value to the time devoted to major household tasks are very conservative, and they provide a minimum estimate of value.

Average Indirect Costs of the Foster Children. The problem the foster care agency faces is not one of computing the indirect cost of an additional child to a particular foster family but the indirect cost of an additional child to the average foster family in the area. At least three methods may be used to compute the desired information:

1. A liberal estimate of the increase in time family members devote to household and child raising activities with the addition of a foster child to the family may be obtained if you assume that the foster family has no other children living at home. That is, assume that the foster child is the first child to come into the family instead of the last one.

2. A conservative estimate of the increase in time family members devote to household and child raising activities with the addition of a foster child to the family may be obtained if you use the average number of children living at home before and after the addition of a foster child to the foster families in the area.

3. The most accurate but most difficult to compute estimate of the increase in time family members devote to household and child raising activities with the addition of a foster child to the family may be obtained if you use the weighted average number of children living at home before and after the addition of a foster child to the foster families in the area. (See table 8)

[16] Kathryn E. Walker and William E. Gauger, "The Dollar Value of Household Work," *Consumer Economics and Public Policy No. 5, Information Bulletin 60* (Ithaca, New York: New York State College of Human Ecology, Cornell University, June 1973), p. 5.

Table 8: Incremental increase in hours per day of primary time used by household members for family care activities[1]

	For families with no children taking on a child		For families with 1 child taking on a child	
	nonemployed mother	employed mother	nonemployed mother	employed mother
Youngest child under 6 yrs.:				
All workers' time	2.8	2.3	.5	.6
Homemaker's time	2.3	2.6	.3	.8
Youngest child 6-11 yrs.:				
All workers' time	1.0	.9	.2	.2
Homemaker's time	.5	.4	.3	.8
Youngest child 12-17 yrs.:				
All workers' time	.4	.3	.1	.2
Homemaker's time	.3	.2	.0	.0

[1] Adapted from Walker and Woods, "Time Use for Physical Care of Family Members," Tables 1, 2, and 3.

Worksheet B: Estimating the indirect cost of raising a foster child using the household tasks method.

Step 1: In order to use this worksheet for estimating the average annual indirect cost of a foster child using the household tasks method, you must first be able to answer the following five questions:

(1) What proportion of the foster mothers in the area are employed? (Walker considers a foster mother to be employed if she worked at least one hour in the last seven days for pay.)

proportion employed = _____%

proportion unemployed = _____%

(2) What is the average number of natural children living at home with the foster families in the area? (Round your answer off to the nearest whole number.)

_____ (Average number of natural children in the foster families in the area)

(3) What is the average age of the youngest child (either natural or foster) living at home with the foster families in the area? (Round your answer off to the nearest whole number.)

_____ (Average age of the youngest child in the foster family)

(4) What proportion of the foster families in the area have no children living at home except foster children?

proportion with only foster children living at home = _____%

proportion with natural children and foster children living at home = _____%

Total 100%

(5) On a daily basis, how much more or less time do the foster families in the area put into the raising of a foster child than the raising of a natural child of the same age and sex?

If a difference in time can be identified in raising natural children as compared to natural children fill in the following:

food related activities _____ hours

house care related activities _____ hours

care of clothing related activities _____ hours

marketing and management related activities _____ hours

family care related activities _____ hours

Step 2: Fill in the needed information below using the data in Table 6 and your answers to questions 2 and 5 in Step 1.

When homemaker is not employed

	Average daily increase in time devoted to household tasks by all household members with the addition of a foster child to the family		Adjustment for differences between natural children and foster children		
food related activities	_____ hours	±	_____ hours	=	_____ hours (Item 1)
house care related activities	_____ hours	±	_____ hours	=	_____ hours (Item 2)
clothing care related activities	_____ hours	±	_____ hours	=	_____ hours (Item 3)
marketing/management related activities	_____ hours	±	_____ hours	=	_____ hours (Item 4)

When homemaker is employed

food related activities	_____ hours	±	_____ hours	=	_____ hours (Item 5)
house care related activities	_____ hours	±	_____ hours	=	_____ hours (Item 6)
clothing care related activities	_____ hours	±	_____ hours	=	_____ hours (Item 7)
marketing/management related activities	_____ hours	±	_____ hours	=	_____ hours (Item 8)

Step 3: Fill in the needed information below using the data in Table 7 and your answers to questions 2, 3, and 5 in Step 1.

For families where there are natural children living at home (Table 7)

change in family care activities for nonemployed homemaker	_____ hours	±	_____ hours	=	_____ hours (Item 9)
change in family care activities for employed homemaker	_____ hours	±	_____ hours	=	_____ hours (Item 10)

Step 4: Fill in the needed information below using the data in Table 8 and your answers to questions 2, 3, and 5 in Step 1.

For families where there are no natural children living at home (Table 8)

change in family care activities for nonemployed homemaker	_____ hours	±	_____ hours	=	_____ hours (Item 11)
change in family care activities for employed homemaker	_____ hours	±	_____ hours	=	_____ hours (Item 12)

Step 5: To calculate the average daily increase in time devoted to family care activities, combine the following information from Steps 3 and 4 and your answer to question 4 in Step 1.

			Proportion of foster families in area with both natural and foster children living at home		
Item 9	_____ hours	X	_____	=	_____ hours (Item 13)
Item 10	_____ hours	X	_____	=	_____ hours (Item 14)
			Proportion of foster families in area with only foster children living at home		
Item 11	_____ hours	X	_____	=	_____ hours (Item 15)
Item 12	_____ hours	X	_____	=	_____ hours (Item 16)
Item 13	_____ hours	X	_____	=	_____ hours (Item 17)
Item 14	_____ hours	X	_____	=	_____ hours (Item 18)

Step 6: To calculate the average daily dollar value of the various daily household tasks, multiply each task by the hourly wage rate for the activity.

For households where the homemaker is not employed

				Average hourly wage rate for the activity		Average daily value of time devoted to child raising task	
food related activities	Item 1	_____ hours	X	$_____	=	$_____	(Item 19)
house care related activities	Item 2	_____ hours	X	$_____	=	$_____	(Item 20)
clothing care related activities	Item 3	_____ hours	X	$_____	=	$_____	(Item 21)
marketing/management related activities	Item 4	_____ hours	X	$_____	=	$_____	(Item 22)
family care related activities	Item 17	_____ hours	X	$_____	=	$_____	(Item 23)
						_____	
				Average daily indirect cost of a foster child to a foster family *where the homemaker is not employed*	=	$_____	(Item 24)

For households where the homemaker is employed

				Average hourly wage rate for the activity		Average daily value of time devoted to child raising task	
food related activities	Item 5	_____ hours	X	$_____	=	$_____	(Item 25)
house care related activities	Item 6	_____ hours	X	$_____	=	$_____	(Item 26)
clothing care related activities	Item 7	_____ hours	X	$_____	=	$_____	(Item 27)
marketing/management related activities	Item 8	_____ hours	X	$_____	=	$_____	(Item 28)
family care related activities	Item 18	_____ hours	X	$_____	=	$_____	(Item 29)
						_____	
					=	$_____	(Item 30)

Average daily indirect cost of a foster child to a foster family *where the homemaker is employed*

Step 7: Fill in the needed information to calculate the average daily value of the primary time household members devote to the raising of a foster child using your answer to question 1 and Items 24 and 30.

Item 24 $_____ X Proportion of foster mothers not employed _____ = $_____

Item 30 $_____ X Proportion of foster mothers employed _____ = $_____

_____

Average daily value of the primary time household members devote to the raising of a foster child in the area of interest = $_____ (Item 31)

Step 8: In order to adjust the value of the indirect time family members devote to the raising of a foster child to a yearly basis, multiply the answer you obtained in Step 7 by 365 days.

Item 31 $_____ X 365 days = $_____ The value of the indirect time family members devote to the raising of a foster child on a yearly basis

The Alternative Child Care Method

Another method used to estimate the value of parental time involves estimating the cost of child care outside the home. In evaluating the indirect cost of a foster child, this method offers many possibilities. A number of studies have already been done comparing the total cost of a child in a foster family to a foster group home, institution, or day care center. If the direct cost of the child's food, clothing, health care, etc., could be calculated, the difference between total cost and direct cost would give a fairly good estimate of the indirect cost of foster family care.

There are two methods for determining the indirect cost of foster family care using the alternative child care method. The first method centers on estimating the indirect cost of 24 hour alternatives to foster family care such as institutional care. The second method centers on estimating the indirect cost of part-time alternatives to foster family care by estimating the cost of alternative child care methods during the parts of the week when parents would be working.

Using the alternative child care systems for a measure of the indirect costs of foster family care has its advantages. Institutional care and foster group home care are often very real alternatives to foster family care. Moreover, the alternative child care method brings with it a realization of the twenty-four hour job that foster parents have. When the salaries paid to institutional workers are used as a measure of indirect child care costs, there is more recognition of the fringe benefits foster parents forego. For example, group homes, institutions, and day care centers often provide their employees with insurance (health, life, and liability), sick leave, regular holidays, and paid vacation days. The total cost can be quite high. For example, the total cost of keeping a foster child in a state institution in New York in 1972 amounted to over $12,000 a year, most of which was made up of indirect costs such as workers' salaries.[17]

We suggest computing the indirect costs of child care alternatives only for the hours when both parents or a single parent would usually be employed. Worksheet C suggests one method for pricing the indirect cost of such part-time care. The reader should be aware that this method will provide a much more conservative indirect cost estimate than if the alternative cost of institutional care or foster group home care was compared to foster family care.

[17]David Fanshel and Eugune B. Shinn, *Dollars and Sense in the Foster Care of Children: A Look at Cost Factors* (New York: Child Welfare League of America, 1972), p. 12.

Worksheet C: Estimating the indirect cost of raising a foster child using the alternative child care method on a 9-hour day basis.*

Step 1: In order to use this worksheet for estimating the average annual indirect cost of a foster child using the alternative child care method, you must first be able to answer four questions:

(1) What proportion of the foster children living in the area are in the age group listed below?

infants (0 - 15 months)	_____%
toddlers (15 months - 3 years)	_____%
preschool (3 - 4 years)	_____%
kindergarten (5 years)	_____%
elementary (6 - 11/12 years)	_____%
middle and high school (11/12 years - 18 years)	_____%
	100%

(2) What alternatives to foster family care are available in the area for each age group listed above for the parts of the day when foster parents would be employed? (For each age group we suggest a service which is appropriate and usually available which may be priced if a survey of the local community is not considered feasible.)

Determine on a yearly basis what each satisfactory alternative costs. Find out what portion of this cost is directly attributable to direct cost expenditures such as food for the child, play materials, admission fees, etc. (Enter this information in the appropriate places in Step 2.)

(3) Are the kindergarten programs public? Do they cover a whole or half day?

(4) What is the length of the public school day for elementary school children?

Step 2: Fill in the needed information below using the information you gathered in Step 1, question 2.

(1) Infants (0 - 15 months). Select a sample of the alternative care facilities available for infants in the area and enter the appropriate price and cost information below. (Usually the only alternative to foster family care for infants in an area is baby sitter care. When pricing baby sitter care, we recommend that the price of adult baby sitters be used.)

Price Per Hour of Care Alternatives		Portion of Price Attributed to Direct Costs		Per Hour Indirect Cost of Care Alternatives		2250 hours*		Annual Indirect Cost of Care Alternatives
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____

Total Annual Indirect Cost of Care Alternatives = $_____ (Item 1)

Total Annual Indirect Cost of Care Alternatives (Item 1): $_____ (A)

Number of Alternatives Priced: _____ (B)

$$\frac{A}{B} = \$\_\_\_\_\_ \text{ (Item 2)}$$

Average Annual Indirect Cost of Care Alternatives

*In this worksheet we show how the cost of alternative care may be determined for those parts of the day when the foster parents might be employed. In this particular worksheet we have assumed the foster parents work or are traveling to or from work 9 hours a day, 5 days a week, 50 weeks a year. Thus, if we wish to estimate the annual cost of alternative child care services, we want to adjust the price of such services to a 2250 hour year.

(2) Toddlers (15 months - 3 years). Several alternatives to foster family care are usually available for children in the 15 month to 3 year age group such as family day care, or adult baby sitting. Select a sample of alternative care facilities available for toddlers in the area and enter the appropriate price and cost information below.

Price Per Hour of Care Alternatives		Portion of Price Attributed to Direct Costs		Per Hour Indirect Cost of Care Alternatives		2250 hours		Annual Indirect Cost of Care Alternatives
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____

Total Annual Indirect Cost of Care Alternatives = $_____ (Item 3)

Total Annual Indirect Cost of Care Alternatives (Item 3): $_____ (A)

Number of Alternatives Priced: _____ (B)

$\frac{A}{B}$ = $_____ (Item 4) Average Annual Indirect Cost of Care Alternatives

(3) Preschool (3 years - 4 years). As with toddlers, several alternatives to foster family care are usually available for preschool children. These alternatives may include adult baby sitters, family day care, and group day care. Select a sample of alternative care facilities available for preschoolers in the area and enter the appropriate price and cost information below.

Price Per Hour of Care Alternatives		Portion of Price Attributed to Direct Costs		Per Hour Indirect Cost of Care Alternatives		2250 hours		Annual Indirect Cost of Care Alternatives
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____
$_____	-	$_____	=	$_____	X	2250 hours	=	$_____

Total Annual Indirect Cost of Care Alternatives = $_____ (Item 5)

Total Annual Indirect Cost of Care Alternatives (Item 5): $_____ (A)

Number of Alternatives Priced: _____ (B)

$\frac{A}{B}$ = $_____ (Item 6) Average Annual Indirect Cost of Care Alternatives

(4) Kindergarten (5 years). If public kindergarten is available in the area, select a sample of the alternatives to foster family care for the portion of the day when the child is not in kindergarten. For example, if the kindergartens in the area only operate 4 hours a day, 24 weeks a year, price alternative care facilities for the 5 hours a day that the 5 year old is not in kindergarten during the school year and price alternative care facilities for 9 hours a day for the 26 weeks that the child is not in school. (Thus, the alternatives to foster family care might be group day care for 5 hours a day at $2 an hour and public kindergarten for free for 4 hours a day for 24 weeks; then group day care for 9 hours a day at $2 an hour for 26 weeks. On a yearly basis this alternative would cost $3540 ([$2 x 5 x 24] + [$2 x 9 x 26] = $3540). If public kindergarten is not available, price the alternatives that are available to care for a 5 year old for 9 hours a day, 5 days a week, 50 weeks a year.

Price Per Hour of Care Alternatives		Portion of Price Attributed to Direct Costs		Per Hour Indirect Cost of Care Alternatives		Average Hours		Annual Indirect Cost of Care Alternatives
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____

Total Annual Indirect Cost of Care Alternatives = $_____ (Item 7)

Total Annual Indirect Cost of Care Alternatives (Item 7): $_____ (A)

Number of Alternatives Priced: _____ (B)

$\frac{A}{B}$ = $_____ (Item 8) Average Annual Indirect Cost of Care Alternatives

(5) Elementary (6 years - 11/12 years). Price the alternatives that are available to care for elementary school age children for 9 hours a day, 5 days a week, 50 weeks a year. In most areas, the realistic after school care for an elementary school age child is adult baby sitters.

Price Per Hour of Care Alternatives		Portion of Price Attributed to Direct Costs		Per Hour Indirect Cost of Care Alternatives		Average Hours		Annual Indirect Cost of Care Alternatives
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____

Total Annual Indirect Cost of Care Alternatives = $_____ (Item 9)

Total Annual Indirect Cost of Care Alternatives (Item 9): $_____ (A)

Number of Alternatives Priced: _____ (B)

$\frac{A}{B}$ = $_____ (Item 10) Average Annual Indirect Cost of Care Alternatives

(6) Middle School and High School (11/12 years - 18 years). Most children this age need little care for the after-school hours during the school year but may need special care during the summer months. Price the alternatives that are available to care for middle school and high school age children for 9 hours a day, 5 days a week, 50 weeks a year. That is, realistically price the added cost incurred if the parent(s) were employed.

Price Per Hour of Care Alternatives		Portion of Price Attributed to Direct Costs		Per Hour Indirect Cost of Care Alternatives		Average Hours		Annual Indirect Cost of Care Alternatives
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____
$_____	-	$_____	=	$_____	X	_____	=	$_____

Total Annual Indirect Cost of Care Alternatives = $_____ (Item 11)

Total Annual Indirect Cost of Care Alternatives (Item 11): $_____(A)

Number of Alternatives Priced: _____(B)

$\frac{A}{B}$ = $_____ (Item 12) Average Annual Indirect Cost of Care Alternatives

Step 3: The information can be used either as a weighted average for all groups of ages or for sections of age groups or as each age group. Fill in the needed information below to calculate the average annual indirect cost of alternative care for the children in your area using the information in Step 1, question 1 and Items 2, 4, 6, 8, 10, and 12.

Calculation of weighted average indirect cost for all foster children

Age Group	Average Annual Cost		Proportion of Foster Children in Age Group (from question 1, step 1)		Weighted Cost
Infants (Item 2)	$_____	X	_____	=	$_____
Toddlers (Item 4)	$_____	X	_____	=	$_____
Preschool (Item 6)	$_____	X	_____	=	$_____
Kindergarten (Item 8)	$_____	X	_____	=	$_____
Elementary (Item 10)	$_____	X	_____	=	$_____
Middle/High school (Item 12)	$_____	X	_____	=	$_____
			1.00	Total	$_____ Average Annual Indirect Cost of Alternative Care for Hours When Foster Parents are Working

The Opportunity Cost Method

The opportunity cost method estimates what the individual's time would be worth in paid employment as the value of household and child care work. The discussion of whether there is an opportunity cost when household members devote time to household work and child care takes on new significance with the increasing employment of married women and mothers of children of all ages. In 1975, about 14.1 million women in the labor force had children under the age of 18; 5.4 million of these working mothers had children under the age of 6.[18] It would seem that the woman who passes up a job to stay home and raise a family, particularly if she is well educated, is incurring a very real opportunity cost.

The estimate developed in this section focuses on women's work patterns, not because men could not also have opportunity costs, but because the number of men in the foster parent population who care for children instead of working outside the home is thought to be small. The method proposed here takes into account the normal work patterns of populations similar to foster parents. It also takes into account part-time, full-time, and unemployed work patterns. Opportunity costs are viewed as the average across the group weighted for differences in employment patterns.

It should be noted that this method of averaging does not conform to methods discussed in the literature on fertility. When researchers are interested in assessing the total impact of child bearing and rearing on families, they generally assume a loss of full-time employment or estimate the difference between full-time and part-time employment as the opportunity cost. In addition, these researchers also look at the effect on lifetime earnings of the interruption of employment on wage rates when re-entering the job market.[19]

The opportunity cost method explained here is based upon gross income figures as are the fertility studies. Although women's employment patterns are used for the estimate, no discounting is done for taxes, work expenses and other factors sometimes calculated when the income is assumed to be secondary.

The dollar value of the opportunities homemakers forego when they choose to raise children full-time is extremely difficult to measure. Wage rates pertain only to those who have chosen to work outside the home, and these people may not represent the total population. Annual earnings may be even less satisfactory as a measure, since not all workers enter the labor force on a full-year basis. The type of work the family member would actually perform outside the home is also difficult to assess. The fact that a person is trained as a teacher does not necessarily mean that he or she could find a job as a teacher.

We do know that the composition of the foster family is important in measuring opportunity costs. While our research and the work of others indicate that foster parents' natural children are usually older than their foster children, one cannot assume that the major portion of time foster parents spend in child care is directly attributable to the foster children. If the family has young children still at home, these children would need to be discounted in any analysis using the opportunity cost method to estimate foster care costs.

When agency policy permits foster mothers to work outside the home and many do choose to work, the estimate should exclude them from the calculation since these mothers do not, in fact, experience an opportunity cost. Where this number is a substantial part of the whole population the opportunity cost method could be supplemented by using the alternative child care method. The opportunity cost method assesses the loss due to not working across the population of adults. It is related to the age of the youngest child and it is not tied to the number of foster children in a home or their length of stay. This method requires a knowledge of the local foster parent population characteristics relating to possible employment opportunities and a knowledge of current wage rates and hours of employment for all mothers in the local area.

The process shown in Worksheet D does not attempt to estimate the opportunity cost of interrupted careers or to determine if sufficient jobs actually exist for the foster mothers or to suggest that these women would actually work if they could. This method limits the opportunity cost to normal patterns of local employment. A more generous estimate can be made if full employment of all women is assumed.

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[18]U.S. Department of Labor, 1976, p. 3.

[19]These references discuss in detail the above ideas: Glen G. Cain and Adriana Weininger, "Economic Determinants of Fertility: Results from Cross Sectional Aggregate Data," *Demography*, vol. 10, no. 2 (May 1, 1973), and Ritchie H. Reed (Washington, D.C.: Government Printing Office for the Commission of Population Growth and the American Future, 1972), pp. 342-43; Peter H. Lindert, "The Relative Cost of American Children," *Discussion Paper Series, Economic History*, Madison, Wisconsin, EH 73-18 (March 1973), pp. 21-30; and Appendix 4A, The Job Interruption Effect on Wage Rates as Part of Child Cost.

Worksheet D: Estimating the indirect cost of raising a foster child using the opportunity cost method.

Step 1: In order to use this worksheet for estimating the average annual indirect cost of a foster child using the opportunity cost method, you must first answer the following questions about your local area's wage and work hours patterns for mothers:

(1) What are the usual rates by occupation or education in your location?

Occupation	-OR-	Education	Hourly wage rate
1. self-employed		1. Elementary	$_____
or _____			
2. Salaried professionals and officials		2. Some high school	$_____
or _____			
3. Clerical and sales		3. High school graduate	$_____
or _____			
4. Skilled craftsmen		4. Some college	$_____
or _____			
5. Semi-skilled		5. College graduate	$_____
or _____			
6. Unskilled		6. More than college	$_____
or _____			

(2) In the local area, what percent of the mothers in the general population with children of this age work full-time, work part-time, or are unemployed? If available, include a separate estimate for mothers of preschool children.

	Children under 14	No Children under 14
Full-time	_____%	_____%
Part-time	_____%	_____%
Unemployed	_____%	_____%
	Total: 100%	Total: 100%

Step 2: In order to use this worksheet for estimating the average annual indirect cost of a foster child using the opportunity cost method, you must be able to answer the following questions about the foster mothers in your local area:

(1) How many foster mothers are in the group with their youngest natural child 14 years of age or older?

_____

How many are in the group with their youngest natural child under 14 years of age?

_____

(2) Using either the educational or occupational (whichever was used in Step 1) classification, determine the proportion of foster mothers within each of the above groups who would likely be in each category of hourly wage rate, using either their educational background or previous employment.

Answer Step 2, question (2) only if the actual employment patterns are used in Step 3.

Occupation	-OR-	Education	% of foster mothers with natural child under 14	% of foster mothers with natural child 14 or over
1. Self-employed		1. Elementary	_____	_____
or _____				
2. Salaried professionals and officials		2. Some high school	_____	_____
or _____				
3. Clerical and sales		3. High school graduate	_____	_____
or _____				
4. Skilled craftsmen		4. Some college	_____	_____
or _____				
5. Semi-skilled		5. College graduate	_____	_____
or _____				
6. Unskilled		6. More than college	_____	_____
or _____				

Step 3: The calculation is done separately for the mothers according to age of youngest child. This step includes:

- calculating the average weighted wage rates within each group of foster mothers (by age of children)
- using the average wage rate to estimate the total wages realizable as an opportunity cost according to normal employment and work hours pattern in the local area
- weighting the two groups, if desired

If desired, the estimate may be made for both groups of a full employment basis of 2000 hours per year. If this approach is used, there is no need to figure the groups separately.

Mothers with youngest child under 14 years of age

Hourly Wage Average of each category (either occ. or ed.) [Step 1, Question (1)]		Number or Percent of foster mothers in each group [Step 2, Question (2)]		Weighted Average
1. $_____	X	_____	=	$_____
2. $_____	X	_____	=	$_____
3. $_____	X	_____	=	$_____
4. $_____	X	_____	=	$_____
5. $_____	X	_____	=	$_____
6. $_____	X	_____	=	$_____
	Total:	_____ (Item 1)		Total: $_____ (Item 2)

$$\frac{\text{Item 2}}{\text{Item 1}} = \$\_\_\_\_\_ \text{ (Item 3)}$$ Weighted Average Hourly Wage

% of Working Mothers in General Population with Youngest Child Under 14 [Step 1, Question (2)]		Hours		Weighted Average Hourly Wage Item 3		
Full-time:	_____ %	X 2000	X	$_____	=	$_____
Part-time:	_____ %	X 1000	X	$_____	=	$_____
Not employed:	_____ %	X 0	X	$ 0	=	$ 0
	100%				Total:	$_____ (Item 4)

Item 4 / 100% = $_____ (Item 5) — Annual Opportunity Cost

Mothers with youngest child 14 years of age or older

Hourly Wage Average of each category (either occ. or ed.) [Step 1, Question (1)]		Number or Percent of foster mothers in each group [Step 2, Question (2)]		Weighted Average
1. _____	X	_____	=	$_____
2. _____	X	_____	=	$_____
3. _____	X	_____	=	$_____
4. _____	X	_____	=	$_____
5. _____	X	_____	=	$_____
6. _____	X	_____	=	$_____
Total:		_____ (Item 6)	Total:	$_____ (Item 7)

Item 7 / Item 6 = $_____ (Item 8) — Weighted Average Hourly Wage

% of Working Mothers in General Population with Youngest Child 14 or over [Step 1, Question (2)]		Hours		Weighted Average Hourly Wage Item 8		
Full-time:	_____ %	X 2000	X	$_____	=	$_____
Part-time:	_____ %	X 1000	X	$_____	=	$_____
Not employed:	_____ %	X 0	X	$ 0	=	$ 0
	100%				Total:	$_____ (Item 9)

Item 9 / 100% = $_____ (Item 10) — Annual Opportunity Cost

	Number of Foster Mothers [Step 2, Question (1)]		Average Opportunity Cost		Weighted Cost
Youngest child under 14:	_____	X	Item 5: $_____	=	$_____
Youngest child 14 or over:	_____	X	Item 10: $_____	=	$_____
Total:	_____ (Item 11)			Total:	$_____ (Item 12)

Item 12 / Item 11 = $_____ — Average Annual Opportunity Cost for All Foster Mothers

Definitions and sources of information for calculating opportunity costs are included for your convenience.

- *Full-time work* equals 2,000 hours a year for this estimate.
- *Part-time work* equals 1,000 hours a year for this estimate.

How to Calculate Opportunity Costs. A number of sources of statistical data are available with information on the local area's employment and wage patterns. Since they are somewhat different in their specificity and content, we include a short annotation for each source mentioned. The sources themselves are not included because the number of local areas and length of the materials is prohibitive.

Local data is needed on:

1. employment of women, their educational *or* occupational levels, and the ages of their children.

2. wage or salary rates by education *or* occupation.

Data on employment of women, their educational or *occupational levels*, and the ages of their children are available from two sources:

(a) *United States Department of Labor, Employment Standards Administration, Women's Bureau, Washington, D.C. 20210.* A series of papers have been prepared which give these estimates, nationally and by state based on data from the U.S. Department of Commerce, Bureau of the Census and the U.S. Department of Labor, Bureau of Labor Statistics. Included in these pamphlets are analysis by age of children, comparison of distribution in occupations of men and women, income by occupations, patterns of working mothers, minorities adjustments, and educational levels. The national summary is published yearly and other materials updated at regular intervals. This data will allow localization of estimates to a state level. It is secondary data developed from census studies.

(b) *United States Department of Commerce, Bureau of the Census.* Local census data can be purchased from the U.S. Census Bureau or is available at most public libraries. Finer breakdowns for the 1970 census are available by state standard metropolitan statistical area and even by census tracts. This material, while much more detailed, is more complex and more difficult to use because of the vastness of the data for some areas. Also, it is 1970 data and some estimate of change in the area becomes necessary as the decade passes.

Data on local wage or salary rates by education or *occupation* are available in at least three ways:

(a) *United States Department of Labor, Bureau of Labor Statistics, Area Wage Surveys: Selected Metropolitan Areas, Annual Bulletin, Washington, D.C.: Government Printing Office.* The regional offices of the Bureau of Labor Statistics also have them available. The *Area Wage Survey*, published annually, provides information on occupational earnings for individual metropolitan areas, and national and regional estimates for all Standard Metropolitan Statistical Areas of the United States. Tables present average straight-line earnings of selected office clerical, professional and technical, maintenance and power plant, and custodial and material movement occupations. Separate breakdowns are given for women and men. Metropolitan areas are included. For example, in Region III, Allentown, Philadelphia, Pittsburgh, and York, Pennsylvania; Baltimore, Maryland; Charleston, West Virginia; Norfolk and Richmond, Virginia; and Washington, D.C., are available. For purposes of this study, however, the yearly summary is probably the most useful. While data for men and women are combined in the summary, those occupations in which women are most often employed can be easily identified.

(b) *United States Department of Commerce, Bureau of the Census, 1970 Census of the Population.* If none of the area surveys are appropriate to a specific area one may wish to return to the local census data for 1970 as a base for occupations in an area. Updating census data is more difficult, but the local specificity may be a good trade off. This is particularly true for rural communities, where the area wage surveys are not appropriate to the community.

(c) A simplified approach is to use a conservative estimate of all women's wages in an area based on such concepts as minimum wage or rate for unskilled labor (see discussion in household tasks method, pp. 61-66).

CONCLUSIONS

In this monograph several ways of understanding and measuring the costs of foster family care are presented. Unfortunately, it is easier to find economic data on objects rather than on people. Children are not normally viewed in a cost context. The problem of determining the cost of raising a child is much more complex and difficult than determining costs for a whole family. Our goal has been to develop an instrument for measuring the cost of foster family care in local areas.

This instrument measures the costs of the foster child to the family. Social service and agency administration costs were excluded. Therefore, it may be difficult to make a comparison of cost to other child care programs which lump these costs together with maintenance costs. Although both direct and indirect costs can be measured by the instrument, they represent a portion of the total program costs.

The methods developed here do have limitations, and the estimates obtained must be interpreted with such limitations in mind. When the estimate is used to suggest or to justify a payment or reimbursement program, the case is strengthened by acknowledging the method followed. Secondary data sources are used in preference to local surveys because such research uses better techniques and scientific sampling, and it is frequently updated. We recommend limiting local pricing of the following:

- the cost difference between non-handicapped natural children and non-handicapped foster children
- the worth of parental time in child care

Worksheets will be feasible if agencies and foster parents' groups cooperate to gather the information describing the local area's foster care program. This information is necessary to adjust data in the worksheets to specific areas. Both the direct and indirect cost instruments rely on adequate information about foster children and foster families.

The variables used to measure the direct cost of child care are: age, region, urbanization, and level of living. There are a number of other variables that can affect the cost, such as child spacing, number and order of children, and cultural differences. In addition, there are variables peculiar to foster families that can affect cost: recruitment costs, agency policies, and special needs of foster children. Since there is little national data on special needs of foster children, inclusion of all of these variables in our instrument was not feasible. It is recommended that local groups determine if these other variables are significant enough to do the special studies necessary to include them in their estimates.

After considering the methods that have been proposed for calculating direct costs, estimates of the costs of raising children by the U.S. Department of Agriculture have been selected as the most reliable, economical, and the simplest to use. The data are currently based on the 1960-61 Consumer Expenditure Survey and can be updated by using the consumer price index.[20] Although we strongly recommend the use of government data, rather than primary data gathering, the present limitations include:

- the data base is now 17 years old
- each family member was assigned equal shares of the family's housing, transportation, personal care, and recreation expenses
- the study does not pertain specifically to foster families
- indirect costs were not included in the research
- the consumer price index is currently based on the urban wage earner

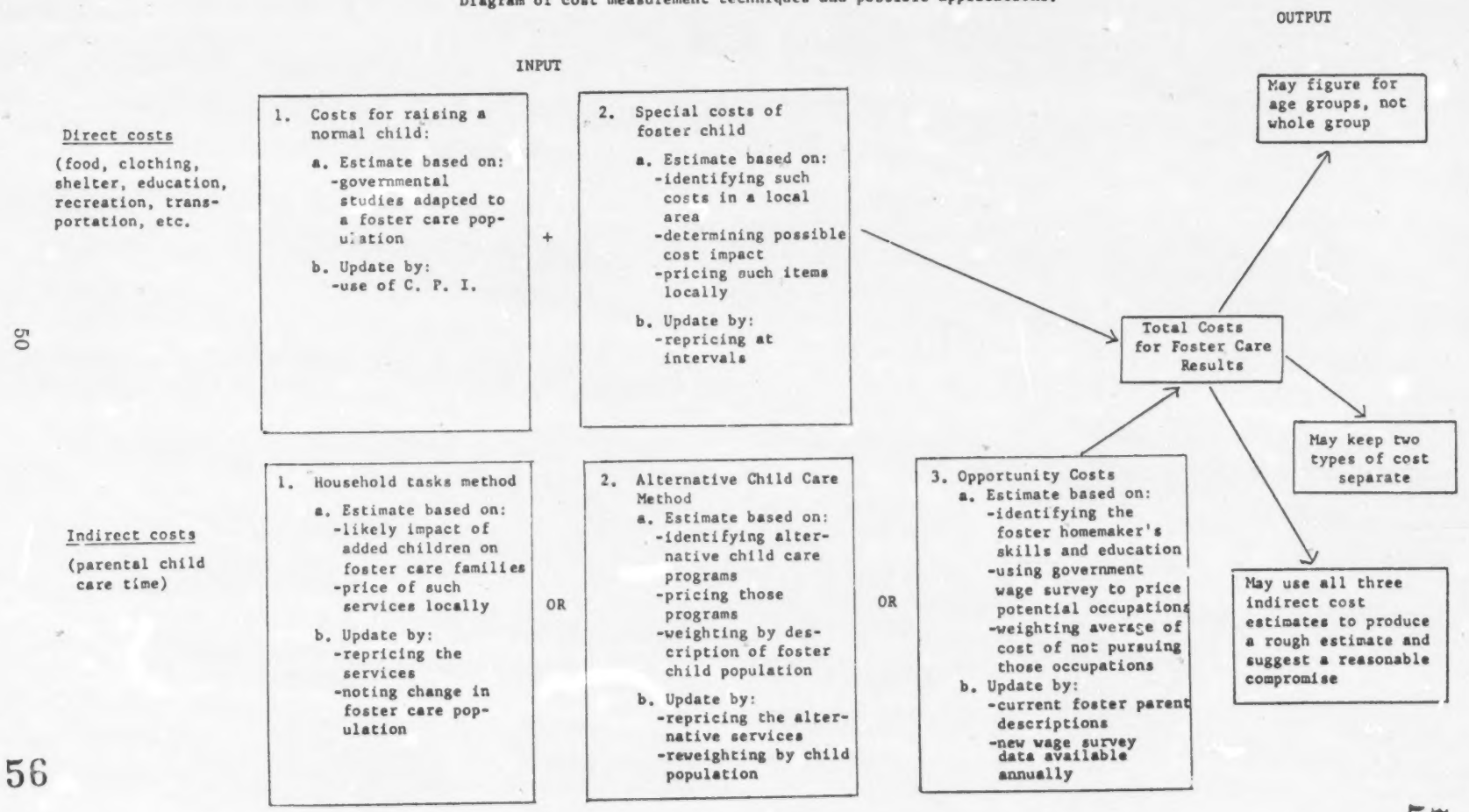
The results of the direct and indirect cost instruments present averages instead of actual costs. They do not account for various types of foster care which may include emergency, temporary, permanent, or specialized care. What it does provide is a good estimate based on sound data of the average cost of foster care in a particular area. The instruments do not lend themselves to national guidelines unless the results were related to percentages of direct and indirect costs of foster family care which should be reimbursed.

Table 9 describes both the input of the instruments and the uses to which the information generated can be directed. Groups who have good estimates of cost may want to use such a diagram to present this information to outside community leaders.

[20]The data from the 1972-73 Consumer Expenditure Survey will be released by the U.S.D.L. for analysis in 1977-78. The USDA Consumer and Food Economics Institute will use the new data to revise the cost of raising a child tables.

Table 9

Diagram of cost measurement techniques and possible applications.


INPUT
OUTPUT
Direct costs
(food, clothing, shelter, education, recreation, transportation, etc.)
1. Costs for raising a normal child:
a. Estimate based on:
-governmental studies adapted to a foster care population
b. Update by:
-use of C. P. I.
+
2. Special costs of foster child
a. Estimate based on:
-identifying such costs in a local area
-determining possible cost impact
-pricing such items locally
b. Update by:
-repricing at intervals
May figure for age groups, not whole group
Total Costs for Foster Care Results
May keep two types of cost separate
May use all three indirect cost estimates to produce a rough estimate and suggest a reasonable compromise
Indirect costs
(parental child care time)
1. Household tasks method
a. Estimate based on:
-likely impact of added children on foster care families
-price of such services locally
b. Update by:
-repricing the services
-noting change in foster care population
OR
2. Alternative Child Care Method
a. Estimate based on:
-identifying alternative child care programs
-pricing those programs
-weighting by description of foster child population
b. Update by:
-repricing the alternative services
-reweighting by child population
OR
3. Opportunity Costs
a. Estimate based on:
-identifying the foster homemaker's skills and education
-using government wage survey to price potential occupations
-weighting average of cost of not pursuing those occupations
b. Update by:
-current foster parent descriptions
-new wage survey data available annually

During 1975 and 1976, the worksheets and techniques were tested with concerned professionals and citizens in workshops throughout Region III of the Department of Health, Education and Welfare.[21] On the basis of our interaction with local groups and agencies and responses from colleagues and critics, revisions were made to the instruments in this monograph. Reader response is invited to the ideas we have presented. We are continuing to work on various aspects of this problem and provide a list of papers and work in progress for your information.

[21]Delaware, Maryland, Pennsylvania, Virginia, West Virginia and the District of Columbia are in Region III of the Department of Health, Education, and Welfare.

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Related Research Papers

Reprints available from: Bureau of Economic and Business Research
College of Business and Economics
University of Delaware
Newark, Delaware 19711

1. Culley, James D., Barbara Settles, and Judith B. Van Name (equal co-authors), *Understanding and Measuring the Cost of Foster Family Care* 1975, 350 pages. University of Delaware, Newark, Delaware. Reprinted 1977. This complete monograph includes the worksheets and examples for estimating the direct and indirect costs of raising foster children in different regions of the U.S. It also contains three primary research studies on foster care delivery systems: an in-depth study of foster parents in Delaware, a summary of major differences and similarities in payment systems throughout the country, and an analysis of foster parents' and foster care social workers' responses to costs. $6.50.

2. Healy, Denis F., James D. Culley, Barbara H. Settles, Judith B. Van Name, "A Nationwide Survey of Foster Family Care: Profiles of State Payment Plans and Programs." A 1976 revision with new data of Chapter 7, "Public Payments for Foster Family Care: A Nationwide Look," of *Understanding and Measuring the Cost of Foster Family Care*, 1975. 68 pages, 1976. $3.00.

3. Settles, Barbara H., Van Name, Judith B., and Culley, James D. "Assessing the Costs of Foster Family Care in Rural Areas—Myths and Realities," paper presented at the Rural Sociology Society meeting, September, 1976, New York City.

4. Settles, Barbara H., Penny L. Ziegenfuss, and Joseph Lucca, "Assessment of Parenting Inputs for Atypical and Normal Children in Foster and Natural Homes," grant # 90-C-895 from the Office of Child Development, U.S. Department of Health, Education and Welfare. 1976-1977. (research in progress)

5. Settles, Barbara H., and Jean Cripps, "Cost and Quality Issues in Day Care," working paper, University of Delaware, Newark, Delaware. 30 pages. $3.00.

6. Settles, Barbara H., "Quality of Life Issues in Foster Care," revision of a paper presented at the National Council on Family Relations meeting, August 1975, Salt Lake City, Utah, excerpted from *Understanding and Measuring the Cost of Foster Family Care* 1975. 26 pages. $1.00.

7. Settles, Barbara H., "Social Policy and Concepts of Accountability: The Case of Foster Care Payments," Paper presented at the American Sociological Association meeting, September, 1976, New York City. 10 pages. $1.00.

8. Settles, Barbara H., "Trends in Family Formation and Dissolution: Implications for Policy." Highlights of a panel presentation for the Groves Conference, March 1976, Kansas City, Missouri. $2.50.

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APPENDIX

I. FOSTER PARENTS' VIEW OF COSTS: A LOCAL LOOK

Since there is little published information describing foster families and virtually no data on the differences in cost foster parents incur in raising foster children and natural children, we needed to know more about a typical group of foster parents in order to evaluate the usefulness of available data on natural children's costs. To meet this need, we designed and conducted an in-depth study of foster families in Delaware. The data from the study illustrate the diversity of families involved in foster family care. Other foster care agencies may wish to repeat parts of this study in order to measure differences in the types of families in their communities.

The two major purposes of the Delaware study were:

1. to develop a descriptive demographic profile of foster families in a local community
2. to measure how foster parents viewed differences in child rearing costs between a natural child and a foster child of the same age and sex.

Three limitations of the study were:

- sample specificity to Delaware
- coverage of public agencies only
- use of parents' perceptions of cost rather than actual cost data

Description of the Foster Families

This description includes occupation, family composition, parents' education, income, location, and number of children. One of the reasons for seeking a description of foster families was to judge whether the 1960-61 Bureau of Labor Statistics consumer expenditure survey and the subsequent revisions of the consumer price index were useful data for measuring the costs to foster families.

When Delaware foster fathers' occupations are compared to male occupations in the consumer expenditure survey for the region including Delaware, the results show almost identical demographic profiles. Foster mothers' previous occupational experience indicated primarily unskilled occupations.

There were 309 foster children placed in the 150 families interviewed. The average total number of children per family was 3.2 with 2.2 of these being foster children. Since the median number of foster children was 1.8, it appears that a few families have large numbers of foster children.

Comparison of the foster parents' educational background to the data in the consumer expenditure survey for the region showed results similar to those of occupation. On the average, husbands and wives had slightly less education than high school graduation. Few foster parents had more than high school background; a large proportion of foster fathers in our study were reported to have had only grade school education.

The median income was $10,000-$12,499. Twenty percent of the households reported incomes below $5,000. For such families, thirty-five percent of the family income would come from the foster care program.

Most of the foster families had suburban or urban location: rural 11.4%; rural non-farm 18.9%; suburban 37.5%; urban 32.2%. By observation, it was estimated that the homes represented 54.7% white, 43.9% black, and 1.4% Spanish-speaking extraction.

Many foster parents had been involved in foster family care for a long time. The average number of foster children cared for over a long period of time by these families was 7.3; however, the most frequent occurrence was one child. Eight families (5%) had had over 25 foster children in their care. Forty-five percent (n=73) of those reporting indicated that the shortest placements had lasted under a year. Of 132 families reporting longest placements, the mean was over six years, but 15% had a longest placement under a year.

Cost Differences Between Foster and Natural Children

The foster parents were asked to rate the differences between foster children and natural children in five cost areas. The large majority of parents rated the costs the same. Almost none thought any costs were lower for foster children.

Reasons given for higher food costs for foster children were that these children may eat more and tend to use food for security. The most frequently mentioned reason for higher clothing costs was that foster children were harder on clothes than natural children. Parents who noted higher housing costs for foster children felt that these children caused more wear and tear on the furniture. Those families with higher schooling costs for foster children mentioned having to hire private tutors, or not participating in the school lunch program as reasons. Finally a small percent listed higher costs for foster children in the areas of recreation and entertainment. A few did feel that these children needed more attention in this area which accounted for the higher costs.

Parental Perceptions of Costs for Foster and Natural Children for Child of Same Age and Sex

	Lower Cost for Foster Child	Same	Higher Cost for Foster Child	No Answer
Food	.7%	70.7%	21.3%	7.3%
Clothing	0	64.0	27.3	8.7
Housing	.7	68.7	28.0	2.6
Schooling	3.3	71.3	12.0	13.4
Recreation	2.6	84.7	6.7	6.0

Adequacy of Foster Care Payments to Cover Expenses

Parents were asked to what extent each of three major areas of expense were covered by the payments. The majority of parents felt that the payments covered less than all of the direct costs.

Amount of Direct Costs Covered by Payments

	None %	Less Than All %	All %	More Than All %	No Answer %
Food & Clothing	0	66	28.7	.7	4.6
Housing	52	24	15.4	1.3	7.3
School & Rec.	44	22.6	18.0	.7	14.7

When asked what other items were not reimbursed, 76.5% mentioned at least one item. Over eighty different items were suggested. Some examples were: pierced ears, music lessons, school supplies, bicycles, gifts, vacations, summer camps, and graduation expenses.

When asked if there were any items they wished to buy for their foster children but could not, over half of the families suggested items. Some of those items were: haircuts, summer school, music lessons, school trips, scouting, vacation trips, summer camps, bicycles, swing sets, and class rings.

Time Devoted to Foster Care

Most parents felt that the time involved in working with foster children on ordinary activities was about the same as for natural children. About a quarter of the parents saw a need for spending more time with a foster child. All the comments indicated that the quality of time and involvement with children required more of foster parents.

When asked to suggest other means of help which the foster family could use, forty-three percent suggested some items other than money. In general, many felt that more counseling and preparation of the foster family was needed. A number of the suggestions had economic overtones such as: free bus tickets, food stamps, summer trips and camps, glasses, etc. Suggestions for cooperative handling of some items were given as a solution by a few parents, for example, clothing exchanges, garage sales and quantity purchasing.

In our study of one local area, we found characteristics of foster parents to be comparable to those of the general regional population as reported in the consumer expenditure survey. Recognizing the limitations of a study in one local area, we would nevertheless suppose that these foster parents might be quite similar to those in other programs, at least in terms of the range of people and concerns reported. An alternative, yet to be tested, is to use local agency records to develop a profile of local foster families.

II. PUBLIC PAYMENTS FOR FOSTER FAMILY CARE: A NATIONWIDE LOOK

In examining the foster family care administration, supervision, and payment systems in use today, it becomes apparent that each state and in some cases, each county has developed its own system for dealing with foster family care.

Variations exist in the proportion of state expenditures being channeled to voluntary or private foster care agencies; in the types of items covered by various elements of the payment plans; in the kinds of data used by the system to establish and update rates; and in the organizational structures used by the states for administering foster family care. While the patterns of financing foster care vary from state to state, the two most common elements are the monthly or base rate payments and the initial or one-time payments.

Monthly or base rate payments include all payments that are fixed in amount and paid monthly to the foster family. These payments are designed to cover the day-to-day expenses foster families incur in raising a foster child. There is a significant difference among states in the monthly or base rate paid for non-handicapped foster children. The primary variable accounting for differences in base rate payments within each state is age. At least twenty-six states adjust the base rate they pay according to the physical and mental needs of the child. Other factors include the consumer price index, prevailing costs in the local community, the attitudes of state legislators, state constraints, payments made in the past, and payments made by neighboring states.

Most states have initial or one-time payments which include all payments in cash or goods made to the foster family to begin care of a foster child. Normally, the amount of the initial outlay varies depending on the sex or age of the child, the existence of special emotional or physical problems, and the needs of the child at the time of placement.

Additional payments include any payments over and above the base rate and initial one-time outlay. Their purpose is to cover any special expenses the foster child or foster family might incur (e.g., medical costs, music lessons, camp).

The tremendous variation in foster family care payments from one state to another and the great variety of payment systems in use throughout the country, point out the need for a systematic look at the true costs of foster child care. Some states elect to vary payments based on the age of the foster child, while others pay a fixed amount per child or vary payments according to where the child is located in the state or what year the child is in school. Some states do not get involved with foster family care payments at all and instead leave the matter of rates to the county and private foster care agencies.

III. FOSTER PARENTS' AND SOCIAL WORKERS' ATTITUDES ON FOSTER CARE ISSUES

Our data on the motives and attitudes of foster parents was gathered from questionnaires we distributed to foster parents at the 1975 National Foster Parents Association (N.F.P.A.) meeting in Atlanta and social workers at the 1975 Eastern Regional Conference of the Child Welfare League in New York City. We also compared our survey with other research projects completed in the 1950's, 1960's, and 1970's.

Foster Parent Attitudes Toward Specific Payment and Cost Issues

Nearly three-fourths of the foster parents surveyed at the 1975 N.F.P.A. meeting felt that they should be reimbursed for the direct costs they incur in caring for a child, *plus* a certain amount for their time and effort. We believe that the results reflect an increasing trend on the part of foster parents to seek compensation for their role as professionals.

Many respondents felt that with a service-for-fee payment system:

- agencies would be able to recruit more middle class foster families,
- there would be less turnover in foster homes,
- foster parents would be more willing to accept foster children with special needs, and
- foster care agencies would expect more of foster parents.

Ten questions in our N.F.P.A. survey attempted to gauge foster parent attitudes towards other major foster care payment and cost issues. In general, the foster parents in the study agreed with the following:

- Foster children cost the same as natural children of the same age and sex (66% agreed).
- More adults would become foster parents if payments were better (55% agreed).
- Most foster care agency payments do not come close to covering direct costs (75% agreed).
- It costs more to raise children in a city than in a rural area (53% agreed).
- Foster care payments should reflect differences in cost due to age and sex (96% agreed about age, 61% agreed about sex).

Costs and payments items on which foster parents expressed disagreement included:

- Foster care payments are a major source of income for foster parents (79% disagreed).
- The high cost of raising teenagers is a *prime* reason why it is so hard to place teenage children (52% disagreed).

Social Worker's Perceptions of Foster Parent Attitudes

In order for a foster care system to work effectively, the foster care social workers must know how the foster parent feels. In our survey of social workers involved with foster parents, we attempted to measure social workers' accuracy by asking the respondents to put themselves in the place of foster parents in responding to many of the questions. In most cases, social workers were poor predictors of how foster parents felt about their role as foster parents, payment and cost issues, and the foster care agency.

Social workers did not seem to see the foster parent's role in the same way the active foster parents saw it. They usually thought that foster parents would be motivated by lower level needs, such as those pertaining to physiological well-being and security. The foster parents reported they were actually motivated by such higher level needs as personal esteem and self-actualization. Social workers did considerably better in predicting the opinions of foster parents on payment and cost related items than they did on items related to motives.